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, 2022

OR

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

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

For the transition period from _____ to _____

Commission file number 001-38802

CASTOR MARITIME INC.

(Exact name of Registrant as specified in its charter)

(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, 2022, there were outstanding 94,610,088 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

Note – Checking the box above will not relieve any registrant required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 from their obligations under those Sections.

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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CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Matters discussed in this 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 works such as "anticipate," "believe," "targets," "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, many of which are based, in turn, upon further assumptions, including without limitation, management's examination of 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 these forward-looking statements, including these expectations, beliefs or projections.

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:

- the effects of the spin-off of our tanker business;
- our business strategy, expected capital spending and other plans and objectives for future operations;
- dry bulk and containership market conditions and trends, including volatility in charter rates (particularly for vessels employed in the spot voyage market or pools), factors affecting supply and demand, fluctuating vessel values, opportunities for the profitable operations of dry bulk and tanker carriers and the strength of world economies;
- the rapid growth of our fleet, our ability to realize the expected benefits from our past or future vessel acquisitions, and the effects of our fleet's growth on our future financial condition, operating results, future revenues and expenses, future liquidity, and the adequacy of cash flows from our operations;
- our relationships with our current and future service providers and customers, including the ongoing performance of their obligations, dependence on their expertise, compliance with applicable laws, and any impacts on our reputation due to our association with them;
- our ability to borrow under existing or future debt agreements or to refinance our debt on favorable terms and our ability to comply with the covenants contained therein, in particular due to economic, financial or operational reasons;
- our continued ability to enter into time or voyage charters with existing and new customers, and to re-charter our vessels upon the expiry of the existing charters;
- changes in our operating and capitalized expenses, including bunker prices, dry-docking, insurance costs, costs associated with regulatory compliance, and costs associated with climate change;

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- 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, including due to limitations imposed by COVID-19 and/or due to vessel upgrades and repairs;
- 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, senior management and certain of our service providers that are related parties;
- general domestic and international political conditions or events, including "trade wars", global public health threats and major outbreaks of disease;
- changes in seaborne and other transportation, including due to fluctuating demand for dry bulk and tanker 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;
- the impact of adverse weather and natural disasters; and
- any other factor described in this annual report and from time to time in our reports.

Any forward-looking statements contained herein are made only as of the date of this annual report, and except to the extent required by applicable law, we undertake no obligation to update any forward-looking statement or statements, whether as a result of new information, future events or otherwise. 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 complete discussion of these risks and uncertainties and for 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, prospective investors are cautioned not to place undue reliance on such forward-looking statements.

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PART I

ITEM 1. IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISERS

Not applicable.

ITEM 2. OFFER STATISTICS AND EXPECTED TIMETABLE

Not applicable.

ITEM 3. KEY INFORMATION

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, and "Castor Maritime Inc." refers only to Castor Maritime Inc. and not to its subsidiaries. "Toro" refers to Toro Corp., our wholly owned subsidiary to which we contributed our tanker business in connection with the proposed Spin-Off (as defined below).

We use the term "deadweight ton", or "dwt", in describing the size of vessels. Dwt, expressed in metric tons, 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.

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 on Form 20-F or included as an exhibit to certain other reports and other information filed with the Securities and Exchange Commission (the "SEC"). We encourage you to refer to each agreement for additional information.

On May 28, 2021, we effected a one-for-ten reverse stock split on our 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 November 15, 2022 and December 30, 2022, the disinterested and independent members of the board of directors of the Company, based on the recommendation of a special committee of disinterested and independent directors, approved and authorized, subject to the fulfillment of certain conditions, the spin-off of our Aframax/LR2 tanker segment and Handysize tanker segment, whereby our tanker-owning subsidiaries and the holding company of the now sold tanker vessel *M/T Wonder Arcturus* would be contributed to the Company's wholly owned subsidiary, 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 1.00% Series A Fixed Rate Cumulative Perpetual Convertible Preferred Shares of Toro having a stated amount of $1,000 per share and (iii) the issuance to Pelagos Holdings Corp., 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"). On March 7, 2023, we effected the Contribution and distributed on a pro rata basis all common shares of Toro received in the Contribution to our holders of common stock of record at the close of business on February 22, 2023 (the "Distribution", and together with the Contribution and related transactions, the "Spin-Off"). As of the date of this annual report, we and Toro operate as independent publicly traded companies each listed on the Nasdaq Capital Market. Pursuant to a Contribution and Spin-Off Distribution Agreement entered into with Toro, Toro replaced us as guarantor under the $18.0 Million Term Loan Facility (as defined herein) with effect from March 7, 2023. The Contribution and Spin-Off Distribution Agreement also provided for the settlement or extinguishment of certain liabilities and other obligations between us and Toro.

Further, on November 15, 2022, our independent, disinterested directors, on the recommendation of a special committee comprised of our independent, disinterested directors, resolved, among other things, to focus our efforts on dry bulk shipping services. This does not, however, preclude us from pursuing other opportunities and we entered the containership shipping industry in the fourth quarter of 2022 with the purchase of two containership vessels. As of March 7, 2023, our Chairman, Chief Executive Officer and Chief Financial Officer, Petros Panagiotidis, also serves as Chairman and Chief Executive Officer of Toro.

For further information regarding the Spin-Off, 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 18 to our consolidated financial statements included elsewhere in this annual report.

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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.

Summary of Risk Factors

- Charter hire rates in the shipping industry are volatile. A decrease in charter rates may adversely affect our business, financial condition and operating results.
- An oversupply of vessel capacity in the segments we operate may prolong or further depress low charter rates when they occur, which may limit our ability to operate our vessels profitably.
- Global economic and financial conditions may negatively impact the sectors of the shipping industry in which we operate, including the extension of credit.
- Risks involved in operating ocean-going vessels could affect our business and reputation.
- A decline in the market values of our vessels could limit the amount of funds that we can borrow, cause us to breach certain financial covenants in our current or future credit facilities and/or result in impairment charges or losses on sale.
- Political instability, terrorist attacks, international hostilities and global public health threats, including major outbreaks of diseases, could adversely affect our business.
- Compliance with safety 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 laws, regulations and standards (including environmental standards such as IMO 2020, standards regulating ballast water discharge, etc.), which could adversely affect our business, results of operations, cash flows, and financial condition. In particular, climate change and greenhouse gas restrictions may adversely impact our operations and markets.
- Increased inspection procedures and tighter import and export controls could increase costs and disrupt our business.

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- We have grown our fleet exponentially and we may have difficulty managing our growth properly which may adversely affect our operations and profitability.
- We may not be able to execute our growth strategy and we may not realize the benefits we expect from past acquisitions or future acquisitions or other strategic transactions.
- We operate secondhand vessels with 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 have limited the fields in which we focus our operations and this may have an adverse effect on our business, financial condition and/or operating results.
- We are dependent upon Castor Ships and Pavimar, which are related party managers of our dry bulk fleet and other third-party sub-managers for the management of our fleet and business, and failure of such counterparties to meet their obligations could cause us to suffer losses or negatively impact our results of operations and cash flows.
- Our credit facilities contain, and we expect that any new or amended credit facility we enter into will contain, restrictive financial covenants that we may not be able to comply with due to economic, financial or operational reasons and may limit our business and financing activities.
- We may be unable to achieve some or all of the benefits that we expect to achieve from the spin-off of our tanker business.
- Our Board may never declare dividends.
- Our share price has 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.
- 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.
- Recent share issuances and future issuances, or the potential of such issuances, may impact the price of our common shares and could impair our ability to raise capital through subsequent equity offerings. 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.
- Our Chairman, Chief Executive Officer and Chief Financial Officer, who may be deemed to beneficially own, directly or indirectly, 100% of our Series B Preferred Shares, has control over us.

Risks Relating to Our Industry

Charter hire rates in the shipping industry are 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.

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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 cyclicality 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.

As a result of the COVID-19 pandemic, it is likely that our dry bulk and containership charter rates will continue to be exposed to volatility in the near to medium term. Such exposure could have a material adverse effect on our business, financial condition and operating results. Furthermore, the conflict in Ukraine combined with inflationary pressures and/or supply chain disruptions across most major economies 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 vessels. In particular, the conflict in Ukraine and related sanctions measures imposed against Russia has and is disrupting energy production and trade patterns, including shipping in the Black Sea and elsewhere, and has impacted the price of certain dry bulk goods, such as grain, 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 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".*

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 and strikes;
- 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, such as the COVID-19 pandemic;
- environmental and other regulatory developments;
- natural catastrophes;
- currency exchange rates; and
- the weather.

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For a discussion of factors affecting the supply of the dry bulk and containership 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.*"

The Company is exposed to fluctuating demand and supply for maritime transportation services, as well as fluctuating prices of commodities (such as iron ore, coal, grain, soybeans and aggregates) and consumer and industrial products, and may be affected by a decrease in the demand for such commodities and/or products and the volatility in their prices.

Our growth significantly depends on continued growth in worldwide and regional demand for the products we transport, such as dry bulk commodities (such as iron ore, coal, soybeans, etc.) and consumer and industrial products, 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 declines in China, India and other countries in the Asia Pacific region, 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, 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. 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 (including any negative changes resulting from any pandemic) of any of these countries or elsewhere may reduce demand for dry bulk and/or containership vessels 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 inflationary pressures and/or supply chain disruptions in 2022, in part stemming from the conflict in Ukraine and related sanctions against Russia and Belarus, the withdrawal of the U.K. from the European Union ("Brexit") and the COVID-19 pandemic and related containment efforts throughout the world. For example, demand for and the price of coal, a product which we transport from time to time, rose more than 250% in March 2022 as compared to the same period in the previous year. This was due to, among other factors, disruptions in natural gas supplies to the European Union as a result of tensions with Russia and the loosening of COVID-19 restrictions in various jurisdictions, which was accompanied by a surge in energy demand and, in some jurisdictions, a temporary shortage in available electrical capacity. The price of coal has since declined amid recessionary concerns regarding the global economy. 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.

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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 and ability of shipyards to deliver vessels;
- port and canal congestion;
- 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, drydock and special survey expenditures, costs of bunkers and other operating costs, costs associated with classification society surveys, normal maintenance costs, insurance coverage costs, the efficiency and age profile of the existing fleet in the market, and government and industry regulations of maritime transportation practices, particularly environmental protection laws and regulations.

The global fleet of dry bulk vessels has increased as a result of the delivery of numerous newbuilding orders over the past few years. During 2022, the global dry bulk fleet has grown by 2.8%, and as of February 1, 2023, newbuilding orders had been placed for an aggregate of about 7.2% of the existing global dry bulk fleet, with deliveries expected predominantly during the next two years.

There has been increased activity in the container newbuilding market during 2022 and as a result new contracting has reached high levels vis-à-vis the active fleet. As of February 1, 2023, the total orderbook of container vessels amounted to 28.8% of the current active fleet, with deliveries equally spread over the next three years. During 2022, the total container fleet grew by 4%.

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. 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. This may have a number of adverse consequences for the shipping sectors in which we operate, including, among other things:

- low charter rates, particularly for vessels employed on short-term time charters;
- decreases in the market value of vessels and limited second-hand market for the sale of vessels;
- limited financing for vessels;
- widespread loan covenant defaults; and

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- declaration of bankruptcy by certain vessel operators, vessel managers, vessel owners, shipyards and charterers.

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

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

Fuel is a significant, if not the largest, expense in our shipping operations when vessels are off-hire and/or idling and is an important factor in negotiating charter rates. Bunker prices have increased significantly during 2021 and have continued rising during 2022. Prices for VLSFO in Singapore started at around $415 per metric ton in January 2021 and reached $620 per metric ton by the end of December 2021, an increase of about 50%. During 2022, our bunker costs rose as a result of the eruption of the armed conflict in Ukraine. The price of VLSFO has increased significantly as a result of the conflict in Ukraine and, indicatively, the price for VLSFO in Singapore reached approximately $1,100 per metric ton in July 2022, but has since decreased. As of February 9, 2023, the price of VLSFO in Singapore was approximately $656 per metric ton but uncertainty regarding its future direction remains. As a result, our bunker costs for our vessels when off-hire and/or idling have, from an overall perspective, increased since 2021 and may continue to increase, which could have an adverse impact on our operating results and cash flows.

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;
- terrorism;
- environmental and other accidents;
- cargo and property losses and damage; and
- business interruptions caused by mechanical failure, human error, war, terrorism, piracy, political action in various countries, labor strikes, or adverse weather conditions.

Environmental laws often impose strict liability for remediation of spills and releases of oil 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 an accidental 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.

We are new entrants to certain of the segments in which we operate and may face difficulties in establishing 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 for containershipping, while incurring high operating costs associated with the operation and upkeep of our vessels. Competitors with greater resources could enter and operate larger and more modern containership fleets through consolidations or acquisitions, and many larger fleets that compete with us in each of these sectors may be able to offer more competitive prices and fleets while also achieving scale economies in their fleet operating costs. Further, we likely possess less operational expertise relative to more experienced competitors and may be more heavily reliant on the knowledge and services of third-party providers for our operations, such as Castor Ships S.A. (“Castor Ships”), a company controlled by Petros Panagiotidis, which manages our containerships and co-manages our dry bulk vessels with Pavimar S.A. (“Pavimar”), also a related party controlled by the sister of Petros Panagiotidis, Ismini Panagiotidis. Failure 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.

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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 newbuildings;
- 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, the average age of our containerships is 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 credit facilities contain, 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.

Acts of piracy or other attacks on ocean-going vessels 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. Sea piracy incidents continue to occur, with dry bulk vessels and containerships particularly vulnerable to such attacks. Political 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.

Further, if these piracy attacks occur in regions in which our vessels are deployed that insurers characterize as "war risk" zones or by the Joint War Committee as "war and strikes" listed areas, premiums payable for such coverage could increase significantly and such insurance coverage may be more difficult to obtain, if available at all. In addition, crew costs, including costs that may be incurred to the extent we employ on-board security guards, could increase in such circumstances. We may not be adequately insured to cover losses from these incidents. This 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, which could have a material adverse impact on our business, cash flows, financial condition and operating results.

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Political instability, terrorist attacks, international hostilities and global public health threats 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 is likely to be adversely impacted by the effects of political conflicts.

Currently, the world economy faces a number of challenges, including public health concerns stemming from the COVID-19 pandemic, trade tensions between the United States and China and between the United States and the European Union, continuing turmoil and hostilities in the Middle East, the Korean Peninsula, North Africa, Venezuela, Iran and other geographic areas and countries, continuing economic weakness in the European Union, geopolitical events such as Brexit, the continuing threat of terrorist attacks around the world, and slowing growth in China.

In particular, the armed conflict between Russia and Ukraine and a severe worsening of Russia's relations with Western economies has created significant uncertainty in global markets, including increased volatility in the prices of certain products and shifts in trading patterns for such products that may continue into the future. These changes are due in part to the imposition of sanctions against Russia and Belarus during 2022, 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''* and *''Worldwide inflationary pressures could negatively impact our results of operations and cash flows.''* The shipping industry may be negatively affected by resulting rising costs and changing patterns of supply and demand caused by any of the foregoing factors.

Additionally, 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 Eurosceptic parties, which would like their countries to leave the European Union. Brexit has increased the risk of additional trade protectionism and has created supply chain disruptions. Similar events in other jurisdictions, 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.

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 and recent developments in the Middle East, including continuing unrest in Syria and Iran and the overthrow of Afghanistan's democratic government by the Taliban, may lead to additional acts of terrorism and armed conflict around the world. This may contribute to further economic instability in the global financial markets and international commerce. Additionally, any escalations between the United States and Iran could result in retaliation from Iran that could potentially affect the shipping industry, through increased attacks on vessels in the Strait of Hormuz (which already experienced an increased number of attacks on and seizures of vessels in recent years, including the seizure of two Greek-flagged vessels in 2022). Any of these occurrences could have a material adverse impact on our operating results, revenues and costs. See also "*—Acts of piracy on ocean-going vessels could adversely affect our business.*"

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Also, China and the United States have implemented certain increasingly protective trade measures with continuing trade tensions, including significant tariff increases, between these countries. These 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.

In addition, public health threats such as influenza and other highly communicable diseases or viruses, outbreaks of which have from time to time occurred in various parts of the world in which we operate, including China, Japan and South Korea, which may even become pandemics, could lead to a significant decrease of demand for the transportation of the goods which our vessels transport. 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 drydock 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.

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

We rely on information technology systems and networks in our operations, our vessels and administration of our business. Information systems are vulnerable to security breaches by computer hackers and cyber terrorists. We rely on industry accepted security measures and technology to securely maintain confidential and proprietary information maintained on our information systems. However, these measures and technology may not adequately prevent security breaches. Our business operations could be targeted by individuals or groups seeking to sabotage or disrupt our information technology systems and networks, to steal data, or to ask for ransom. As a result of the COVID-19 pandemic, governmental actions have occasionally urged organizations across industries to have their employees operate on a rotational basis remotely, which significantly increases the risk of cybersecurity attacks. A successful cyber-attack could materially disrupt our operations, including the safety of our operations, or lead to unauthorized release, alteration or unavailability of information in our systems. Any such attack or other breach of our information technology systems could have a material adverse effect on our business and operating results. In addition, the unavailability of our information systems or the failure of these systems to perform as anticipated for any reason could disrupt our business and could result in decreased performance and increased operating costs, causing our business and operating results to suffer.

In 2017, the International Maritime Organization IMO adopted Resolution MSC.428(98) on Maritime Cyber Risk Management, which encourages administrations to ensure that cyber risks are appropriately addressed in SMS no later than the first annual verification of the Company's Document of Compliance DOC after January 1, 2021. While we are currently in compliance with the requirements of Resolution MSC.428(98), the cybersecurity measures we maintain may not be sufficient to prevent the occurrence of a cybersecurity attack and/or incident. Any inability to prevent security breaches (including the inability of our third-party vendors, suppliers or counterparties to prevent security breaches) could also cause existing clients to lose confidence in our IT systems and could adversely affect our reputation, cause losses to us or our customers and/or damage our brand. This might require us to create additional procedures for our managing the risk of cybersecurity, which could require additional expenses and/or capital expenditures. The impact of such regulations is difficult to predict at this time.

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Additionally, recent sanctions and decisions by third parties to divest from or curtail doing business with Russian interests have created a heightened risk for cyber-attacks. 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. Russia has taken and may continue to take retaliatory actions and enact countermeasures, including 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.

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 recently imposed in relation to the Russian invasion of Ukraine have created significant disruptions in the global economy and in the shipping industry.

While it is difficult to estimate the impact of the war and current or future sanctions on the Company's business and financial position, these events and related sanctions could adversely impact the Company's operations. During 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, crude oil and refined petroleum products, 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. 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 temporarily suspended shipping routes to and from Russia or have declined to engage in business with Russian-affiliated entities.

These bans and related trade sanctions have started to change trade patterns across the shipping industry and existing or future restrictions may affect our current or future charters. In the near term, we have seen, and expect to continue to see, increased volatility in the region due to these geopolitical events. The Black Sea region is a major export market for grains with Ukraine and Russia exporting a combined 15% of the global seaborne grain trade. In addition, the volatility of market prices for fuel and energy products have increased as a result of related supply disruptions from the conflict in Ukraine. 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. A reduction or stoppage of grain out of the Black Sea or cargoes from Russia has, and will continue to, negatively impact the markets in those areas. In addition, increased volatility in the price of fuel or energy commodities may increase or decrease 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. While we have seen an increase in ton miles as end users find alternative sources for cargo and other capacity, it is uncertain what the ultimate result will be on our segments' financial positions. However, 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.

Economic sanctions and embargo laws and regulations vary in their application with regards 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.

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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 such 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. Investor perception of the value of our common shares may also be adversely affected by the consequences of war, the effects of terrorism, civil unrest and governmental actions in the countries or territories in which we operate. Any of these factors could adversely affect our business, financial condition, and operating results.

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

Major outbreaks of diseases (such as COVID-19) and governmental responses thereto, have affected our crews and operations, and could adversely affect our business and financial condition.

Since the beginning of 2020, the outbreak of the COVID-19 pandemic around the world has negatively affected economic conditions, the supply chain, the labor market and the demand for certain shipping sectors both regionally and globally. The COVID-19 pandemic has resulted in numerous actions taken by governments and governmental agencies in an attempt to mitigate the spread of the virus, including travel bans, quarantines and other emergency public health measures, and a number of countries implemented lockdown measures. These measures have resulted in a significant reduction in global economic activity and extreme volatility in the global financial markets. In the past, the pandemic has caused delays and uncertainties relating to the operation of our vessels and has affected our ability to timely rotate the crews of our vessels. It has also caused delays and uncertainties in the shipping industry generally relating to newbuilding projects and operators' ability to timely dry-dock their vessels.

We expect that the COVID-19 pandemic will continue to impact our operations and the operations of our customers and suppliers and increase our operating costs. The magnitude of COVID-19's long-term impact on our financial and operating results, which has not been material to date but could be material in the future, will depend on the length of time that the pandemic continues, the ability to effectively vaccinate a large percentage of the population and whether subsequent waves of the virus happen globally or in certain geographic regions. Uncertainties regarding the economic impact of the COVID-19 pandemic are likely to result in sustained market volatility, which could impact our business, financial condition and cash flows to a greater extent. Governments have been approving large stimulus packages to mitigate the effects of the sudden decline in economic activity caused by the pandemic; however, we cannot predict the extent to which these measures will continue or will be sufficient to restore or sustain the business and financial condition of companies in the shipping industry.

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It remains difficult to determine the full impact of COVID-19 on our business in the long run. Effects of the ongoing pandemic have included or may include, among others:

- deterioration of economic conditions and activity and of demand for shipping;
- operational disruptions to us or our customers due to worker health risks and the effects of new regulations, directives or practices implemented in response to the pandemic (such as travel restrictions for individuals, delays in replacing crews and vessels, and quarantining and physical distancing);
- delays in the loading and discharging of cargo on or from our vessels, vessel inspections and related certifications by class societies, customers or government agencies and maintenance, modifications or repairs to, or dry-docking of, our existing vessels due to worker health or other business disruptions;
- reduced cash flow as a result of the above and worsened financial condition, including potential liquidity constraints;
- potential non-performance by counterparties relying on force majeure clauses and potential deterioration in the financial condition and prospects of our customers or other business partners;
- credit tightening or declines in global financial markets, including to the prices of our publicly traded securities and the securities of our peers, could make it more difficult for us to access capital; and
- potential disruptions, delays or cancellations in the construction of new vessels, which could reduce our future growth opportunities.

The occurrence or continued occurrence of any of the foregoing events or other epidemics or an increase in the severity or duration of the COVID-19 pandemic could have a material adverse effect on our business, cash flows, financial condition and operating results.

In particular, we face significant risks to our onshore or offshore personnel and operations due to the COVID-19 pandemic, which resulted in increased operational costs mainly associated with crew embarkation, rotation and related logistical complications, which have not been material to date but could be material in the future**.** Our crews generally work on a rotation basis, relying largely on international air transport for crew changes plan fulfillment. Quarantine restrictions placed on persons and limitations on commercial aviation and other forms of public transportation have at times delayed our crew in embarking or disembarking on our ships and resulted in additional operating complexities. While such delays have not functionally affected our ability to sufficiently crew our vessels, such disruptions have affected the cost of rotating our crew. Any of the foregoing factors could impact our ability to maintain a full crew synthesis on-board all our vessels at any given time.

In 2021 and during the first quarter of 2022, most of the countries around the globe maintained their strict COVID-19 health protocols, including the periodic imposition of strict lockdowns. In certain jurisdictions, shipowners experienced significant disruptions to their normal vessel operations, in part due to additional time expended to deviate from shipping routes to positioning vessels in countries in which crew changes could be undertaken in compliance with applicable measures against COVID-19. Since the beginning of the second quarter of 2022, many countries began to downgrade their health quarantine measures for fully vaccinated seafarers and also started to re-establish air carrier connections between international destinations. As a result, crew change operations have become less expensive than before and the need to deviate from vessels' normal trajectories to dock in ''open'' countries has been reduced.

Although public health and quarantine conditions appear to have improved in the majority of countries globally, uncertainty remains regarding the emergence of additional strains of COVID-19 and whether governments and health authorities around the globe will be forced to implement the same or similar quarantine measures as utilized previously. The reimplementation of quarantine, lockdowns, or other measures in response to COVID-19 could significantly increase the expenses we incur for precautionary protective measures (such as hotel isolation, PCR tests, etc.), as well as the costs we incur due to operational disruptions. For example, we may experience renewed difficulty in rotating our crews and may incur increased fuel costs based on an increase in vessel deviations, repositioning and/or delays. Any of the foregoing factors could have an adverse effect on our business, financial condition and operating results.

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Compliance with safety 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 administrative body responsible for regulating vessels 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 and 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. In lieu of a special survey, a vessel's machinery may be placed on a continuous survey cycle, under which the machinery would be surveyed periodically over a five-year period. We expect our vessels to be on special survey cycles for hull inspection and continuous survey cycles for machinery inspection. Most vessels are also required to be dry-docked, or inspected by divers, every two to three years for inspection of underwater parts.

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

We are subject to laws, regulations and standards (including environmental standards such as IMO 2020, standards regulating ballast water discharge, etc.), which can adversely affect our business, results of operations, cash flows and financial condition. In particular, climate change and greenhouse gas ("GHG") restrictions may adversely impact our operations and markets.

Our operations are subject to numerous international, 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 resale value or 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 often impose strict liability for emergency response and remediation of spills and releases of oil and hazardous substances, which could subject us to liability without regard to whether we were negligent or at fault. See *"—Risks involved in operating ocean-going vessels could affect our business and reputation."*

As of the date of this annual report, in connection with IMO 2020 regulations and requirements relating fuel sulfur levels, our vessels have transitioned to burning IMO compliant fuels. As a result, such vessels currently utilize VLSFO containing up to 0.5% sulfur content. Notably, low sulfur fuel is more expensive than standard high fuel oil and may become more expensive or difficult to obtain as a result of increased demand. The price of VLSFO has increased as a result of the ongoing conflict between Russia and Ukraine, and, indicatively, the price for VLSFO in Singapore reached approximately $1,100 per metric ton in July 2022. Thereafter, a downward trend prevailed and, at the end of December 2022, the price of VLSFO closed at approximately $620 per metric ton. As of February 9, 2023, the price of VLSFO in Singapore was around $656 per metric ton, but uncertainty regarding its future direction and the availability of VLSFO remains. For further information, see *"—Increases in bunker prices could affect our operating results and cash flows.*"

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The IMO has also imposed updated guidelines for ballast water management systems specifying the maximum amount of viable organisms allowed to be discharged from a vessel's ballast water. Depending on the date of the International Oil Pollution Prevention (IOPP) renewal survey, existing vessels constructed before September 8, 2017, must comply with the updated D-2 standard on or after September 8, 2019. For most vessels, compliance with the D-2 standard involves installing on-board systems to treat ballast water and eliminate unwanted organisms. All 22 vessels in our fleet are currently in compliance with this regulation.

Due to concern over climate change, a number of countries and the IMO and European Union have adopted regulatory frameworks to reduce greenhouse gas emissions. These regulatory measures may include, among others, adoption of cap-and-trade regimes, carbon taxes, increased efficiency standards, and incentives or mandates for renewable energy. In addition, although the emissions of GHG from international shipping currently are not subject to the Paris Agreement or the Kyoto Protocol to the United Nations Framework Convention on Climate Change, which required adopting countries to implement national programs to reduce emissions of certain gases, a new treaty may be adopted in the future that includes restrictions on shipping emissions.

In addition, in March 2022 the SEC announced proposed rules with respect to climate-related disclosures, including with respect to greenhouse gas emissions and certain climate- related financial statement metrics, which would apply to foreign private issuers listed on US national securities exchanges such as us. Compliance with such reporting requirements (if they are adopted) or any similar requirements may impose substantial obligations and costs on the Company. If the Company is unable to accurately measure and disclose required climate-related data in a timely manner, it could be subject to penalties or civil actions in certain jurisdictions.

In June 2021, IMO's Marine Environment Protection Committee ("MEPC") adopted amendments to the International Convention for the Prevention of Pollution from Ships (MARPOL) Annex VI that will require ships to reduce their CO2 and GHG emissions. These new requirements combine technical and operational approaches to improve the energy efficiency of ships, also providing important building blocks for future GHG reduction measures. Beginning January 1, 2023, each vessel is required to comply with the new Energy Efficiency Existing Ship Index ("EEXI"). Furthermore, from 2023 to 2026, each vessel must initiate the collection of data for the reporting of its annual operational Carbon Intensity Indicator ("CII") and CII rating. The IMO is required to review the effectiveness of the implementation of the CII and EEXI requirements by January 1, 2026, at the latest.

The EEXI and CII regulations require reductions in the CO_2 emissions of vessels. Based on the pertinent official calculations and estimations, merchant vessels built before 2013, including certain of our older vessels, do not satisfy the upcoming EEXI requirements which will come into force on January 1, 2023. To ensure compliance with EEXI requirements most owners/operators, including us, may choose to limit engine power, a solution less costly than applying energy saving devices and/ or effecting certain alterations on existing propeller designs. 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 their commercial utilization but 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.

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 unabated coal usage and fossil fuels subsidies. A shift away from these products could potentially affect the demand for our dry bulk, crude and product tankers and negatively impact our future business, operating results, cash flows and financial position. COP26 also produced the Clydebank Declaration, in which 22 signatory states (including the United States and United Kingdom) announced their intention to voluntarily support the establishment of zero-emission shipping routes. Governmental and investor pressure to voluntarily participate in these green shipping routes could cause us to incur significant additional expenses to "green" our vessels.

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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 but as of March 7, 2023, was not yet in force as the ratifying states do not represent 40% of world merchant shipping by gross tonnage. 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 and 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 smuggling of drugs or other contraband onto our vessels may lead to governmental claims against us.

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

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

The operation of our vessels is affected by the requirements set forth in the International Safety Management Code, or the ISM Code, promulgated by the IMO under the SOLAS Convention. 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 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 liability 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"*.

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

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

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

A 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. Government requisition 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 contents of our vessels, delays in the loading, offloading, trans-shipment or delivery and the levying of customs duties, fines or other penalties against us.

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

Our 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. Any of these events may result in loss of revenues, increased costs and decreased cash flows to our customers, which could impair their ability to make payments to us under our charters.

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

Despite the above policies, we may not be insured in amounts sufficient to address all risks and we or an intermediary may not be able to obtain adequate insurance coverage for our vessels in the future or may not be able to obtain certain coverage at reasonable rates. For example, in the past more stringent environmental regulations have led to increased costs for, and in the future may result in the lack of availability of, insurance against risks of environmental damage or pollution.

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

Risks Relating To Our Company

We have grown our fleet exponentially 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 22 vessels as of March 7, 2023 following the contribution of our eight former tanker vessels to Toro.

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, 2022 and 2021, we derived 43% of our consolidated operating revenues from three charterers. In particular, for the years ended December 31, 2022 and 2021, we derived 75% and 55%, respectively, of our dry bulk segment operating revenues from three charterers. Further, for the year ended December 31, 2022, we derived 100% of our containership segment operating revenues from one charterer. 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 2 to our consolidated financial statements included elsewhere in this annual report.

We may not be able to execute our growth 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 additional vessels, including to replace existing vessels and, where appropriate, renew the vessels of our fleet, and to expand our activities subject to the resolution of our Board to focus on certain areas of the shipping industry. See "*We have limited the fields in which we focus our operations and this may have an adverse effect on our business, financial condition and operating results*." The renewal of our fleet, including to, where applicable, reduce the average age of our fleet, has 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:

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- 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;
- 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 vessels could adversely affect our business, financial condition, investor sentiment and operating results. Finally, 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 "*—Recent share issuances and future issuances of additional shares, 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. 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 with 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.

The average age of our current fleet is 13.7 years. The average age of our dry bulk vessels is 13.3 years, compared to an industry average of 13.0 years and the average age of our containerships is 17.5 years, compared to an industry average of 13.6 years. In general, the cost of maintaining a vessel in good operating condition and operating it increases with the age of the 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.

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

Due to the age of our fleet, we may not be able 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 have limited the fields in which we focus our operations and this may have an adverse effect on our business, financial condition and operating results.

In connection with the Spin-Off, the independent, disinterested directors of our Board, 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, that we have no interest or expectancy to participate or pursue any opportunity in areas of business outside of the dry bulk shipping business nor that Petros Panagiotidis, our director, Chairman, Chief Executive Officer and controlling shareholder and his affiliates, such as Castor Ships, offer or inform us of any such opportunity. This does not, however, preclude us from pursuing opportunities outside of the dry bulk shipping business if in the future our Board determines to do so, including in the tanker shipping business. For example, we entered the containership shipping industry in the fourth quarter of 2022 with the purchase of two containership vessels. Nonetheless, focusing our efforts on the dry bulk shipping business may reduce the scope of opportunities we may exploit and have an adverse effect on our business, financial condition and operating results.

Similarly, Toro's board has resolved, among other things, to focus its efforts on its current business of tanker shipping services, that Toro has no interest or expectancy to participate or pursue any opportunity in areas of business outside of the tanker shipping business nor that Petros Panagiotidis, its director, Chairman, Chief Executive Officer and controlling shareholder and his affiliates will offer or inform it of any such opportunity. This does not preclude Toro, however, from pursuing opportunities outside of the tanker shipping business if in the future Toro's board determines to do so, including in the dry bulk and container shipping business. Our failure to obtain an opportunity that our Board deems in the interest of our shareholders may have an adverse effect on our business, financial condition and operating results. For further information on the foregoing resolutions, see also *"Item 7. Major Shareholders and Related Party Transactions—B. Related Party Transactions—The Spin-Off Resolutions."*

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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, shipbuilding contracts and credit facilities. Such agreements subject us to counterparty risks. 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 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 and the lack of availability of debt or equity financing may result in a significant reduction in the ability of our charterers to make payments to us. In addition, in depressed market conditions, our charterers and customers may no longer need a vessel that is then under charter or contract or may be able to obtain a comparable vessel at lower rates. As a result, charterers and customers may seek to renegotiate the terms of their existing charter agreements or avoid their obligations under those contracts. This may have a significant impact on our revenues due to our concentrated customer base. For further details, see *''We may be dependent on a small number of charterers for the majority of our business''*. We may also face these counterparty risks due to assignments. Should a counterparty fail to honor its obligations under agreements with us, we could sustain significant losses which could have a material adverse effect on our business, cash flows, financial condition, and operating results.

We are dependent upon Castor Ships and Pavimar, which are related party managers of our dry bulk fleet and other third-party sub-managers for the management of our fleet and business, 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 entered into arrangements with Pavimar relating to the technical co-management our dry bulk vessels. As of March 6, 2023, Castor Ships had subcontracted, with our consent, the technical management of all our containership vessels to a third-party ship management company. See "*Item 7. Major Shareholders and Related Party Transactions B. Related Party Transactions Management, Commercial and Administrative Services*" for further information on our management arrangements. We are reliant on Castor Ship's continued and satisfactory provision of its services and its subcontracting arrangements may expose us to risks such as low customer satisfaction with the service provided by these subcontractors, increased operating costs compared to those we would achieve for our vessels, and an inability to maintain our vessels according to our standards or our current or potential customers' standards.

Our ability to enter into new charters and expand our customer relationships depends largely on our ability to leverage our relationship with our head manager, Castor Ships, Pavimar, and subcontractors of such entities, 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.

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We periodically employ vessels in the spot market and exposing us to risk of losses based on short-term decreases in shipping rates.

We periodically employ some of our vessels in the spot charter market. The spot charter market is highly competitive and rates within this market are highly volatile, fluctuating significantly based upon supply of and demand of vessels and cargoes. Conversely, longer-term charter contracts have pre-determined rates over more extended periods of time providing, a fixed source of revenue to us. The successful operation of our vessels in the competitive spot charter market depends upon, among other things, our head manager obtaining profitable spot charters and minimizing, to the extent possible, time spent waiting for charters and time spent traveling unladen to pick up cargo. We cannot assure you that we will be successful in keeping our vessels fully employed in these short-term markets, or that future spot rates will be sufficient to enable such vessels to operate profitably. In the past, there have been periods when trip charter rates have declined below the operating cost of vessels. A significant decrease in spot market rates or our inability to fully employ our vessels by taking advantage of the spot market would result in a reduction of the revenues received from spot chartering and adversely affect operating results, including our profitability and cash flows, with the result that our ability to serve our working capital and debt service needs could be impaired.

Additionally, if spot market rates or short-term time charter rates become significantly lower than the time charter equivalent rates that some of our charterers are obligated to pay us under our existing charters, the charterers may have incentive to default under that charter or attempt to renegotiate the charter. If our charterers fail to pay their obligations, we might have to attempt to re-charter our vessels at lower charter rates, which could affect our ability to comply with our loan covenants and operate our vessels profitably.

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

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

For example, our current credit facilities require the consent of our lenders for Castor Maritime Inc., as guarantor, or our subsidiaries that act as borrowers in our facilities to, among other things:

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

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

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(i) maintaining a certain minimum level of cash on pledged deposit accounts with the borrowers;

(ii) maintaining a certain minimum value ratio at the borrowers' level, which is the ratio of the aggregate market value of the mortgaged vessels plus the value of any additional security and value of the pledged deposit and/or the value of dry dock reserve accounts to the aggregate principal amounts due under the facilities;

(iii) maintaining a dry dock reserve at the borrowers' level;

(iv) not having a ratio of net debt to assets adjusted for the market value of the vessels above a certain level;

(v) maintaining a certain level of minimum free cash at Castor Maritime; and

(vi) maintaining a trailing 12 months EBITDA to net interest expense ratio at and above a certain level.

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

All of our outstanding debt is exposed to Interbank Offered Rate ("LIBOR") or Secured Overnight Financing Rate ("SOFR") Risk. If volatility in LIBOR and/or 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 U.S. dollar LIBOR and SOFR. Our outstanding indebtedness is exposed to LIBOR and SOFR risk at annual rates ranging from 3.10% to 4.50% over LIBOR or SOFR. We have also entered into two credit facilities which are based on SOFR or adjusted SOFR, an adjusted new index that measures the cost of borrowing cash overnight, backed by U.S. Treasury securities and may enter our convert our existing LIBOR based loans into additional SOFR-based loans in the future.

On July 27, 2017, the United Kingdom's Financial Conduct Authority ("FCA") announced that it expected, by no later than the end of 2021, to cease taking steps aimed at ensuring the continuing availability of LIBOR in its current form. Pursuant to international, federal, and other regulatory guidance and reform proposals regarding LIBOR, certain LIBOR tenors were discontinued or otherwise became unavailable as benchmark rates at the end of 2021 and LIBOR is expected to be fully discontinued or become unavailable as a benchmark rate by June 2023. In accordance with recommendations from the committee appointed by the U.S. Federal Reserve Board to manage the transition away from LIBOR, U.S. dollar LIBOR is expected to be replaced with SOFR.

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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, including LIBOR. However, SOFR may rise following interest rate increases effected by the United States Federal Reserve (the "U.S. Federal Reserve") and the U.S. Federal Reserve has recently raised U.S. interest rates in response to rising inflation. 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 may 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. The consequences of developments with respect to LIBOR cannot be entirely predicted but may result in financial market disruptions and may impact the level of interest payments on the portion of our indebtedness that bears interest at variable rates. This may increase the amount of our interest payments under such debt.

The majority of our senior secured credit facilities described in "*Item 5. Operating and Financial Review and Prospects—B. Liquidity and Capital Resources—Our Borrowing Activities*" provide that interest may be based on LIBOR and for the use of an alternate rate to LIBOR in the event LIBOR is phased-out. We and the lenders under our LIBOR-based senior secured credit facilities may seek to amend such agreements to replace LIBOR with a different benchmark index that is expected to mirror developments in the rest of the debt markets at the time and make certain other conforming changes to the agreements. However, the new rate may not be as favorable as those in effect prior to any LIBOR phase-out. In some cases, our lenders have insisted on provisions that entitle the lenders, following consultation with the borrowers and in the absence of agreement, in their discretion, and under certain market disruption events, to replace published LIBOR as the base for the interest calculation with another benchmark or with their cost-of-funds rate. As a result, our lending costs under our LIBOR-based credit facilities could increase significantly.

LIBOR, SOFR or any other replacement rate may be volatile. LIBOR has historically exhibited volatility. For example, the spread between LIBOR and the prime lending rate widened significantly at times due to disruptions in the international credit markets. SOFR or any other replacement reference rate may behave similarly. Because the interest rates borne by our outstanding indebtedness fluctuate with changes in LIBOR and SOFR, if this volatility were to occur, it would affect the amount of interest payable on our debt.

In order to manage our exposure to interest rate fluctuations, we may from time to time use interest rate derivatives to effectively fix some of our floating rate debt obligations. We currently do not have any derivative instruments in place. LIBOR and SOFR have increased from their low levels and may rise further in the future as the current low interest rate environment comes to an end. Our financial condition could be materially adversely affected 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. Interest rate derivatives may also be impacted by the transition from LIBOR to SOFR or other alternative rates. Entering into swaps and derivatives transactions is inherently risky and presents various possibilities for incurring significant expenses.

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

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

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

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Our Chairman and Chief Executive 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 ‘‘*—Our Chairman and Chief Executive Officer, who may be deemed to own, directly or indirectly, 100% of our Series B Preferred Shares, has control over us.*’’ Any of these factors could have a material adverse effect on our business, financial condition and operating results.

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

We are a holding company and have no significant assets other than the equity interests in our subsidiaries. Our subsidiaries own all of our existing vessels, and subsidiaries we form or acquire will own any other vessels we may acquire in the future. All payments under our charters 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 credit facilities contain, 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 may be unable to achieve some or all of the benefits that we expect to achieve from our spin-off of our tanker business.

On November 15, 2022 and December 30, 2022, the disinterested and independent members of the board of directors of the Company approved the spin-off of our tanker segments, which occurred on March 7, 2023. Although we believe that the Spin-Off will enable our tanker business, on the one hand, and our dry bulk and containerships businesses, on the other, to each increase its focus on its distinct line of business, which is expected to enhance operational efficiencies, attract new investors and facilitate efficient strategic expansion, we may not be able to achieve some or all of the anticipated benefits from the separation of our businesses and the Spin-Off may adversely affect our business. Separating such businesses will create two independent, publicly traded companies, each of which will initially be smaller, less diversified and more narrowly focused than before the Spin-Off, which could make such businesses more vulnerable to changing market and economic conditions. Operating as a relatively smaller independent entity may reduce or eliminate some of the benefits and synergies which previously existed across our business platforms before the Spin-Off, including our operating diversity, borrowing leverage, available capital for investments, partnerships and relationships and opportunities to pursue integrated strategies with the businesses within our former combined company and the ability to attract, retain and motivate key employees. In addition, as a smaller company, our ability to absorb costs may be negatively impacted, including the significant cost of the spin-off transaction, and we may be unable to obtain financing or refinance our existing indebtedness. Any of these factors could have a material adverse effect on our business, financial condition, results of operations, cash flows, business prospects and the trading price of our common stock. As a result of having spun off our tanker business, we also may be more susceptible to market fluctuations and other adverse events than we would be if we did not spin off such business. If we fail to achieve some or all of the benefits that we expect to achieve as a result of the Spin-Off, or do not achieve them in the time we expect, our results of operations and financial condition could be materially adversely affected.

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Our Board may never declare dividends.

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 debt agreements and the requirements of Marshall Islands law. If the Board determines to declare dividends, 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 growth 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.

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 growth 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.

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

It has been recently observed that worldwide economies have experienced inflationary pressures, with price increases seen across many sectors globally. For example, the U.S. consumer price index, an inflation gauge that measures costs across dozens of items, rose 6.5% in December 2022 compared to the prior year, driven in large part by increases in energy costs. It remains to be seen whether inflationary pressures will continue, and to what degree, as central banks begin to respond to price increases. In the event that inflation becomes a significant factor in the global economy generally and in the shipping industry more specifically, inflationary pressures would result in increased operating, voyage and administrative costs. Furthermore, the effects of inflation on the supply and demand of the products we transport could alter demand for our services. Interventions in the economy by central banks in response to inflationary pressures may slow down economic activity, including by altering consumer purchasing habits and reducing demand for the commodities and products we carry, and cause a reduction in trade. As a result, the volumes of goods we deliver and/or charter rates for our vessels may be affected. Any of these factors could have an adverse effect on our business, financial condition, cash flows and operating results. For additional information, see *''—The Company is exposed to fluctuating demand and supply for maritime transportation services, as well as fluctuating prices of commodities (such as iron ore, coal, soybeans and aggregates) and consumer and industrial products and may be affected by a decrease in the demand for such commodities and/or products and the volatility in their prices.''*

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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. This is in part due to a developing regulatory environment relating to climate change and sustainability. For further details on environmental laws and regulations affecting the shipping industry and our operations, see " *Compliance with safety 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*." Further, 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 as our plans for growth may include accessing the equity and debt capital markets. If those markets are unavailable, or if we are unable to access alternative means of financing on acceptable terms, or at all, we may be unable to implement our business strategy, which could impair our ability to service our indebtedness. Further, it is likely that we will incur additional costs and require additional resources to monitor, report, comply with and implement wide ranging ESG requirements. Any of the foregoing factors could have a material adverse effect on our business, financial condition and operating results.

We are a relatively new company, and our anti-fraud and corporate governance procedures might not be as advanced as those implemented by our listed peer competitors having a longer presence in the shipping industry.

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, with 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 rely on exceptions from certain corporate governance requirements of the Nasdaq Capital Market. Refer to "*Item 16.G Corporate Governance*" for further details on such exceptions.

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.

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

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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, 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 matter, and the ultimate outcome of any litigation 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. 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. Moreover, in February 2023, the Marshall Islands was added to a list of non-cooperative jurisdictions for tax purposes, commonly referred to as the “EU blacklist”. The effect of the EU blacklist, including whether and when the European Union will remove the Marshall Islands from the EU blacklist, any legislation that the Marshall Islands may enact with a view toward being removed from the EU blacklist, how the European Union may react to such legislation, and how counterparties will react to the EU blacklist, is unclear and could potentially have a material adverse effect on our business, financial condition and operating results.

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

We are dependent on our management and their ability to hire and retain key personnel and their ability to devote sufficient time 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 devote such portion of his business time and attention to our business as is appropriate and will also 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.

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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 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 recently been volatile and may continue be volatile, which may cause our common shares to trade above or below what we believe to be their fundamental value. During 2021, the market price of our common shares on the Nasdaq Capital Market has fluctuated from an intra-day low of $1.36 per share on December 30, 2021 to an intra-day high of $19.50 per share on February 11, 2021. Further, during 2022, the market price of our common shares on the Nasdaq Capital Market has fluctuated from an intra-day low of $1.08 per share on January 27, 2022 to an intra-day high of $2.4 per share on April 19, 2022. On December 30, 2022, the closing price of our common shares was $1.12 per share. 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.

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;

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- 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, including the COVID-19 pandemic, 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.

In addition, the Spin-Off could temporarily increase the volatility of our share price for a variety of reasons. For example, it is possible that some of our shareholders will sell our common shares as a result of the Spin-Off, for reasons such as our business profile or market capitalization as a stand-alone company no longer fitting their investment objectives. Volatility in our share price may also increase as the market evaluates our and Toro's prospects as independent publicly traded companies. There can be no assurance that the effects of any such volatility in share price would be borne equally among us and Toro. 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.

The combined post-Distribution value of our and Toro's common shares may not equal or exceed the pre-Distribution value of our common shares.

Our common shares are listed and traded on the Nasdaq Capital Market and Toro common shares have also been approved for listing on the Nasdaq Capital Market. We cannot assure you that the combined trading prices of our common shares and Toro common shares after the Distribution, as adjusted for any changes in the combined capitalization of these companies, will be equal to or greater than the trading price of our common shares prior to the Distribution. Until the market has fully evaluated the business of Toro, the price at which shares of Toro common shares trade may fluctuate significantly. Similarly, until the market has fully evaluated our business without the business of Toro, the price at which our common shares trades may fluctuate significantly and we could experience significant fluctuations in the trading price of our common shares. See also "*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.*"

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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 14, 2020, we received written notification from Nasdaq indicating that because the closing bid price of the Company's common shares for 30 consecutive business days, from February 27, 2020 to April 13, 2020, was below the minimum $1.00 per share bid price requirement for continued listing on the Nasdaq Capital Market, the Company was not in compliance with the minimum bid price requirement of Nasdaq Listing Rule 5550(a)(2). Following certain extension periods obtained, we had until June 28, 2021, to regain compliance with the minimum bid price requirement. On May 28, 2021, we effected a one-for-ten reverse stock split in order to regain compliance with the minimum bid price requirement, and, as a result, we regained compliance on June 14, 2021. As the board authorization pursuant to which the May 2021 reverse stock split was effected to authorize multiple reverse stock splits at a ratio within an approved range, we could pursue additional reverse stock splits in the future.

During the month of February 2023, our closing bid price ranged between $1.18 and $1.32 per share. If a breach of the minimum bid price requirement of Nasdaq were to occur again, we might be unable to regain compliance, which, in turn could lead to a suspension or delisting of our common shares. If a suspension or delisting of our common shares were to occur, there would be significantly less liquidity in the suspended or delisted 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. There can be no assurance that we will maintain compliance with the minimum bid price requirements of Nasdaq in the future.

Past share issuances and future issuances of additional shares, 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. 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 94,610,088 issued and outstanding common shares as of December 31, 2022. Upon the exercise of our outstanding warrants, the Company may issue up to an additional 19,360,978 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. Our growth strategy may require the issuance of a substantial amount of additional shares. We cannot assure you at what price the offering of our shares in the future, if any, will be made but 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, 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;

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- 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, or the perception that these sales could occur.

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

We are organized in the Republic of the Marshall Islands, which does not have a well-developed body of corporate or case law, and as a result, shareholders may have fewer rights and protections under Marshall Islands law than under a typical jurisdiction in the United States. Our corporate affairs are governed by our Articles of Incorporation and Bylaws and by the Marshall Islands Business Corporations Act (the "BCA"). The provisions of the BCA resemble provisions of the corporation laws of a number of states in the United States. However, there have been few judicial cases in the Marshall Islands interpreting the BCA. The rights and fiduciary responsibilities of directors under the laws of the Marshall Islands are not as clearly established as the rights and fiduciary responsibilities of directors under statutes or judicial precedent in existence in the United States. The rights of shareholders of companies incorporated in the Marshall Islands may differ from the rights of shareholders of companies incorporated in the United States. While the BCA provides that it is to be interpreted according to 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 difficulty in protecting your interests in the face of actions by our management, directors or controlling shareholders than would shareholders of a corporation incorporated in a United States jurisdiction which has developed a relatively more substantial body of case law.

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

We are incorporated under the laws of the Republic of the Marshall Islands, and substantially all of our assets are located outside of the United States. Our principal executive office is located in Cyprus. In addition, all 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;

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- 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.

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 $150.00 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") 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 a company controlled by Petros Panagiotidis, Thalassa, each of which has the voting power of 100,000 common shares. The Series B Preferred Shares currently represent 92.7% of the aggregate voting power of our total issued and outstanding share capital and therefore grant Mr. Panagiotidis a controlling vote in most shareholder matters. See *"—Our Chairman, Chief Executive Officer and Chief Financial Officer, who may be deemed to beneficially own, directly or indirectly, 100% of our Series B Preferred Shares, has control over us"* 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 credit facilities contain, 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.B. Major Shareholders and Related Party Transactions — Related Party Transactions"* and Note 3 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.

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Our Chairman, Chief Executive Officer and Chief Financial Officer, who may be deemed to beneficially own, directly or indirectly, 100% of our Series B Preferred Shares, has control over us.

Our Chairman, Chief Executive Officer and Chief Financial Officer, Mr. Petros Panagiotidis, may be deemed to beneficially own, directly or indirectly, 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 0.01% of our total issued and outstanding share capital and 92.7% of the aggregate voting power of our total, as of the date of this annual report, issued and outstanding share capital. By his ownership of 100% of our Series B Preferred Shares, Mr. Panagiotidis has control over our actions. The interests of Mr. Panagiotidis may be different from your interests.

We are an "emerging growth company", and we cannot be certain if the reduced requirements applicable to emerging growth companies make our securities less attractive to investors.

We are currently an "emerging growth company" as defined in the Jumpstart Our Business Startups Act of 2012 (the "JOBS Act"). We expect that we will cease to be an emerging growth company on December 31, 2023. Additional compliance costs associated with this cessation could be substantial and we cannot assure you that these costs will not be material to our business.

As an emerging growth company, we are not required to comply with, among other things, the auditor attestation requirements of the Sarbanes-Oxley Act. At such time that we cease to be an emerging growth company, we will no longer be permitted to benefit from these exemptions and face increased compliance costs. While an emerging growth company, investors may find our securities less attractive because we rely on certain exemptions. If investors find our securities less attractive as a result, there may be a less active trading market for our securities and prices of the securities may be more volatile or decline.

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 chartering and time chartering activities as services income, rather than rental income. Accordingly, we believe that our income from our time chartering activities does not constitute "passive income," and the assets that we own and operate in connection with the production of that income do not constitute passive assets.

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

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

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

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

We intend to take the position that we and each of our subsidiaries qualify for this statutory tax exemption for our 2021, 2022 and future taxable years. However, as discussed below under "*Taxation—U.S. Federal Income Tax Considerations—U.S. Federal Income Taxation of Our Company*", we do not qualify for this exemption in view of our share structure based on the current wording of the applicable 883 regulation. We believe our share structure satisfies the intent and purpose of the 883 regulation and have filed a petition with the US 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 2021 and 2022 taxable year, we anticipate that U.S. source income taxes of approximately $497,339 and $1,348,850 would be recognized for the years ended December 31, 2021, and 2022, respectively, and we have included a reserve for this amount in our annual consolidated financial statements. However, there can be no assurance that such taxes would not be materially higher or lower in future taxable years.

The distribution of common shares of Toro in connection with the Spin-Off may result in significant tax liability.

In connection with the spin-off of our tanker business, holders of our common shares will receive one common share of Toro Corp., the holding company for our tanker business, for every ten of our common shares held at the close of business on February 22, 2023. We do not expect that such distribution of shares or the Spin-Off will qualify for tax-free treatment for U.S. federal income tax purposes. Therefore, we expect that the receipt by our shareholders of Toro common shares in such circumstances would be a taxable distribution, and each U.S. holder that receives Toro common shares in such distribution would be treated as if the U.S. holder had received a distribution equal to the fair market value of such stock that was distributed to it, which, in the case of our shareholders, would generally be treated first as a taxable dividend to the extent of such holder's pro rata share of our earnings and profits, then as a non-taxable return of capital to the extent of the holder's tax basis in its Castor common shares, and thereafter as capital gain with respect to any remaining value. The amount of any such taxes to our shareholders may be substantial.

Although we do not expect that the distribution of Toro common shares in connection with the Spin-Off will qualify for tax-free treatment for U.S. federal income tax purposes, Castor, which is not a U.S. corporation, will not be subject to U.S. federal income tax as a result of the distribution of Toro common shares.

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ITEM 4. INFORMATION ON THE COMPANY

A. HISTORY AND DEVELOPMENT OF THE COMPANY

We are a growth-oriented global shipping 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, as well as, until the completion of the Spin-Off, crude oil and refined petroleum products. During 2021 and up to March 7, 2023, we grew our dry bulk fleet from six to 20 dry bulk vessels, and we established our tanker operations by acquiring seven Aframax/LR2 tanker vessels (one of which was sold to an unaffiliated third party in May 2022 and delivered to that party on July 15, 2022) and two Handysize tanker vessels. During the fourth quarter of 2022, we also established our containership operations by acquiring two 2005 German-built 2,700 TEU containership vessels from two separate entities beneficially owned by family members of our Chairman, Chief Executive Officer and Chief Financial Officer. As a result, as of December 31, 2022, our fleet consisted of 20 dry bulk carriers with an aggregate cargo carrying capacity of 1.7 million dwt and an average age of 13.1 years, six Aframax/LR2 tankers with an aggregate cargo carrying capacity of 0.7 million dwt and an average age of 17.9 years, two Handysize tankers with an aggregate cargo carrying capacity of 0.1 million dwt and an average age of 16.9 years, and two containership vessels with an aggregate cargo capacity of 0.1 million dwt and an average age of 17.3 years. On March 7, 2023, our tanker vessels were contributed to Toro as part of the Spin-Off. As a result, the average age of our entire fleet comprised of dry bulk vessels and containerships as of March 7, 2023 was 14.7 years.

On November 15, 2022 and December 30, 2022, the independent disinterested directors of Castor approved, based on the recommendation of the Special Committee, and authorized, subject to the fulfillment of certain conditions, the proposed spin-off of the Company's Aframax/LR2 tanker segment and Handysize tanker segment to our newly formed wholly owned subsidiary, Toro Corp., in order for each of Castor Maritime Inc., holding the dry bulk and containership segments, and Toro, holding the tanker segments, to operate and pursue opportunities as a separate "pure play" company in the relevant shipping sector, to be evaluated as such by the market and to enhance our and Toro's financing and growth opportunities. Separating the dry bulk and tanker businesses is intended to enable each of us and Toro to increase its focus on its distinct line of business, which is expected to enhance operational efficiencies, attract new investors and facilitate efficient strategic expansion. In connection with and as part of the Spin-Off, our independent disinterested directors approved, based on the recommendation of the aforementioned special committee, among other things:

- the contribution to Toro of our eight tanker-owning subsidiaries (each owning one tanker vessel) and an additional subsidiary formerly owning the *M/T Wonder Arcturus* (which was sold pursuant to a memorandum of agreement entered into on May 9, 2022 and delivered to its new owner on July 15, 2022);
- in exchange for:
  - all issued and outstanding shares of Toro common stock, par value $0.001 per share;
  - 140,000 shares of Toro's 1.00% Series A Fixed Rate Cumulative Perpetual Convertible Preferred Shares of Toro, with a cumulative preferred distribution accruing initially at a rate of 1.00% per annum on the stated amount of $1,000 per share, all of which would be retained by us after the Spin-Off; and
  - the issuance of 40,000 Series B Preferred Shares of Toro, each carrying 100,000 votes on all matters on which our shareholders are entitled to vote but no economic rights, to Pelagos, a company controlled by our and Toro's Chairman and Chief Executive Officer, against payment of their nominal value of $0.001 per Series B Preferred Share.

On March 7, 2023, 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. Further information regarding the details of the Spin-Off may be found on Registration Statement No. 001-41561 on Form 20-F of Toro Corp., declared effective by the U.S. Securities Exchange Commission ("SEC") on February 9, 2023. The common shares of Toro have been approved for listing on the Nasdaq Capital Market. The terms of the Spin-Off were negotiated and approved by a special committee of independent disinterested directors.

Our principal executive office is at 223 Christodoulou Chatzipavlou Street, Hawaii Royal Gardens, 3036 Limassol, Cyprus. Our telephone number at that address is +357 25 357 768. 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.

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

Equity Transactions

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.*"

Fleet Development and Vessel Capital Expenditures

From the end of 2020 until the date of this annual report, we grew our fleet from six vessels to a high of 30 vessels prior to the Spin-Off through the acquisition of 25 new vessels, one of which was sold in July 2022 and eight of which were contributed to Toro in connection with the Spin-Off. As of March 7, 2023, two containerships acquired in the fourth quarter of 2022 comprised our newly established containership segment and our dry bulk segment was comprised of 20 vessels, 14 of which were acquired between 2020 and the date of this annual report. For further information on vessel acquisitions and the series of financing transactions that enabled our vessel acquisitions, see "*—B. Business Overview—Fleet Development*" below and Notes 6 and 7 to our consolidated financial statements included in this annual report. Following completion of the Spin-Off, our fleet is comprised of 22 vessels consisting of our dry bulk and containership vessels.

During the years ended December 31, 2020, 2021 and 2022, we made capital expenditures of approximately $0.1 million, $1.8 million and $3.0 million, respectively, primarily relating to the installation of ballast water treatment system ("BWTS") on our vessels.

Financing Transactions

On January 12, 2022, we entered into a $55.0 million term loan facility with Deutsche Bank AG, through and secured by the five of the Company's dry bulk vessel ship-owning subsidiaries, those owning the *Magic Starlight*, the *Magic Mars*, the *Magic Pluto*, the *Magic Perseus* and the *Magic Vela*, and guaranteed by the Company (the "$55.0 Million Term Loan Facility"). This facility has a tenor of five years and bears interest at a 3.15% margin over adjusted SOFR per annum. The loan was drawn down in full in five tranches on January 13, 2022. We intend to use the net proceeds from the facility to support our growth plans and for general corporate purposes.

On November 22, 2022, we entered into a $22.5 million senior term loan facility with Chailease International Financial Services (Singapore) Pte. Ltd., through and secured by our two containership-owning subsidiaries, those owning the *Ariana A* and the *Gabriela A*, and guaranteed by the Company (the "$22.5 Million Term Loan Facility"). The $22.5 Million Term Loan Facility has a tenor of five years and bears interest at SOFR plus a margin of 3.875% per annum. The net proceeds from the $22.5 Million Term Loan Facility were used, along with cash on hand, to fund the acquisition of our containership vessels, the *Ariana A* and the *Gabriela A*, as well as for general corporate purposes.

For more information about our financing agreements which we have entered into in connection with the expansion of our fleet and for other general corporate purposes, please see "*Item 5. Operating and Financial Review and Prospects—B. Liquidity and Capital Resources—Our Borrowing Activities*" and Note 7 to the consolidated financial statements included elsewhere in this annual report.

Nasdaq Listing Standards Compliance

On April 14, 2020, we received written notification from the Nasdaq indicating that because the closing bid price of our common shares for 30 consecutive business days, from February 27, 2020, to April 13, 2020, was below the minimum $1.00 per share bid price requirement for continued listing on the Nasdaq, we were not in compliance with Nasdaq Listing Rule 5550(a)(2). Due to the COVID-19 crisis, we were granted temporary relief and our compliance period was suspended until June 30, 2020. Following certain extension periods obtained, we had until June 28, 2021 to regain compliance with Nasdaq's minimum bid price requirement. On May 28, 2021, we effected a one-for-ten reverse stock split of our common shares, and, as a result, on June 14, 2021, we regained compliance. We remained in compliance with Nasdaq's minimum bid price requirement over the course of 2022.

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B. BUSINESS OVERVIEW

We operate dry bulk vessels that engage in the worldwide transportation of commodities such as iron ore, coal, soybeans, etc., containerships that are engaged in the transportation of containerized cargoes and, until the completion of the Spin-Off, Aframax/LR2 tanker vessels that are engaged in the worldwide transportation of crude oil and Handysize tanker vessels that carry oil and petroleum products. During the year ended December 31, 2022, our management reviewed and analyzed operating results for our business over four reportable segments, (i) Dry bulk vessels, (ii) Aframax/LR2 tanker vessels, (iii) Handysize tanker vessels, and (iv) Containerships. During the year ended December 31, 2022, our dry bulk vessels and containerships operated exclusively under time charter contracts, our Aframax/ LR2 tanker vessels operated under time charter contracts, voyage charter contracts and pools and our Handysize tanker vessels operated in a pool. We do not disclose geographic information relating to our segments. When the Company charters 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. As a result of the completion of the Spin-Off, as of and from March 7, 2023, our business is comprised of two reportable segments, Dry bulk and Containerships.

For further information, see Note 2 to our consolidated financial statements included elsewhere in this annual report.

Our Fleet

The following tables summarize key information about our fleet in each segment as of March 7, 2023:

Dry Bulk Segment

Vessel Name	Capacity (dwt)	Year Built	Country of Construction	Type of Employment	Gross Charter Rate ($/day	Estimated Redelivery Date	
						Earliest	Latest
M/V Magic Orion	180,200	2006	Japan	TC [(1)] period	101% of BCI5TC [(2)]	Jan-24	Apr-24
M/V Magic Venus	83,416	2010	Japan	TC period	$25,000 [(3)]	Apr-24	Jul-24
M/V Magic Thunder	83,375	2011	Japan	TC period	$14,000 [(4)]	Sep-23	Dec-23
M/V Magic Argo	82,338	2009	Japan	TC period	103% of BPI5TC	Apr-24	Jul-24
M/V Magic Perseus	82,158	2013	Japan	TC period	100% of BPI5TC	Sep-23	Dec-23
M/V Magic Starlight	81,048	2015	China	TC period	98% of BPI5TC	Nov-23	Feb-24
M/V Magic Twilight	80,283	2010	Korea	TC trip	$4,300 + $100,000 ballast bonus	Mar-23	Mar-23
M/V Magic Nebula	80,281	2010	Korea	TC period	93% of BPI5TC	May-23	Aug -23
M/V Magic Nova	78,833	2010	Japan	TC period	101% of BPI4TC [(5)]	Sep-23	Dec-23
M/V Magic Mars	76,822	2014	Korea	TC period	102% of BPI74	Oct-23	Jan-24
M/V Magic Phoenix	76,636	2008	Japan	TC period	102% BPI4TC	Aug-23	Nov-23
M/V Magic Horizon	76,619	2010	Japan	TC period	$14,000 [(6)]	Jun-23	Sep-23
M/V Magic Moon	76,602	2005	Japan	TC period	95% of BPI4TC	Apr-23	Jul-23
M/V Magic P	76,453	2004	Japan	TC period	$13,100 [(7)]	Oct-23	Jan-24
M/V Magic Sun	75,311	2001	Korea	TC trip	$9,000	Apr-23	Apr-23
M/V Magic Vela	75,003	2011	China	TC period	87.5% of BPI5TC [(8)]	Apr-23	Jul-23
M/V Magic Eclipse	74,940	2011	Japan	TC period	$22,000 [(9)]	Apr-24	Jun-24
M/V Magic Pluto	74,940	2013	Japan	TC period	100% of BPI4TC	Dec-23	Mar-24
M/V Magic Callisto	74,930	2012	Japan	TC period	$14,000 [(10)]	Jul-23	Oct-23
M/V Magic Rainbow	73,593	2007	China	Unfixed	N/A	N/A	N/A

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(1) TC stands for time charter.

(2) The benchmark vessel used in the calculation of the average of the Baltic Capesize Index ("BCI") 5TC routes ("BCI5TC") is a non-scrubber fitted 180,000mt dwt vessel (Capesize) with specific age, speed – consumption, and design characteristics.

(3) The vessel's daily gross charter rate is equal to 100% of the Baltic Panamax Index 5TC routes ("BPI5TC"). In accordance with the prevailing charter party, on April 28, 2022 the owners converted the index-linked rate to fixed from May 1, 2022 until March 31, 2023, at a rate of $25,000 per day. Upon completion of this period, the rate will be converted back to index-linked. The benchmark vessel used in the calculation of the average of the BPI5TC routes is a non-scrubber fitted 82,000mt dwt vessel (Kamsarmax) with specific age, speed – consumption, and design characteristics.

(4) The vessel's daily gross charter rate is equal to 97% of BPI5TC. In accordance with the prevailing charter party, on January 1, 2023 the owners converted the index-linked rate to fixed from February 1, 2023 until June 30, 2023, at a rate of $14,000 per day. Upon completion of this period, the rate will be converted back to index-linked.

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

(6) The vessel's daily gross charter rate is equal to 103% of BPI4TC. In accordance with the prevailing charter party, on October 18, 2022 the owners converted the index-linked rate to fixed from November 1, 2022 until March 31, 2023, at a rate of $14,000 per day and, further, on February 27, 2023, converted the index-linked rate to fixed from April 1, 2023 to June 30, 2023 at a rate of $15,300 per day. Upon completion of this period, the rate will be converted back to index-linked.

(7) The vessel's daily gross charter rate is equal to 96% of BPI4TC. In accordance with the prevailing charter party, on January 16, 2023 the owners converted the index-linked rate to fixed from February 1, 2023 until September 30, 2023, at a rate of $13,100 per day. Upon completion of this period, the rate will be converted back to index-linked.

(8) After redelivery from the current charter, estimated to take place between April and July 2023 in accordance with the prevailing charterparty terms, the vessel has been fixed for a period of minimum 12 to maximum 15 months, at a daily gross charter rate equal to 95% of BPI4TC.

(9) The vessel's daily gross charter rate is equal to 99% of BPI4TC. In accordance with the prevailing charter party, on June 15, 2022 the owners converted the index-linked rate to fixed from July 1, 2022 until March 31, 2023, at a rate of $22,000 per day. Upon completion of this period, the rate will be converted back to index-linked.

(10) The vessel's daily gross charter rate is equal to 101% of BPI4TC. In accordance with the prevailing charter party, on October 18, 2022 the owners converted the index-linked rate to fixed from November 1, 2022 until March 31, 2023, at a rate of $14,000 per day and, further, on February 27, 2023, converted the index-linked rate to fixed from April 1, 2023 to June 30, 2023 at a rate of $15,000 per day. Upon completion of this period, the rate will be converted back to index-linked.

Containerships Segment

Vessel Name	Capacity (dwt)	Year Built	Country of Construction	Type of employment	Gross Charter Rate ($/day)	Estimated Earliest Charter Expiration	Estimated Latest Charter Expiration
Containership Segment							
M/V Ariana A	38,117	2005	Germany	TC period	$ 23,250	Apr-23	Jul-23
M/V Gabriela A	38,121	2005	Germany	TC period	$ 26,350	Feb-24	May-24

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Aframax/LR2 Tanker 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
Aframax/LR2 Segment[1]							
M/T Wonder Polaris	115,351	2005	S. Korea	Tanker Pool[2]	N/A	N/A	N/A
M/T Wonder Sirius	115,341	2005	S. Korea	TC Period[3]	$ 40,000	November 2023	June 2024
M/T Wonder Bellatrix	115,341	2006	S. Korea	Tanker Pool[2]	N/A	N/A	N/A
M/T Wonder Musica	106,290	2004	S. Korea	Tanker Pool[2]	N/A	N/A	N/A
M/T Wonder Avior	106,162	2004	S. Korea	Tanker Pool[2]	N/A	N/A	N/A
M/T Wonder Vega	106,062	2005	S. Korea	Tanker Pool[2]	N/A	N/A	N/A

(1) On May 9, 2022, we entered into an agreement with an unaffiliated third party for the sale of the *M/T Wonder Arcturus* for a gross sale price of $13.15 million. The vessel was delivered to its new owners on July 15, 2022.
(2) The vessel is currently participating in the V8 Plus Pool, a pool operating Aframax tankers aged fifteen (15) years or more that is managed by V8 Plus Management Pte Ltd., a company in which Petros Panagiotidis has a minority equity interest.
(3) In February 2023, the agreement relating to the *M/T Wonder Sirius*'s participation in the V8 Plus Pool was terminated and the vessel commenced a period time charter."

* On March 7, 2023, our Aframax/LR2 tanker segment was contributed to Toro Corp. in connection with the Spin-Off.

Handysize Tanker 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
Handysize Segment							
M/T Wonder Mimosa	36,718	2006	S. Korea	Tanker Pool[1]	N/A	N/A	N/A
M/T Wonder Formosa	36,660	2006	S. Korea	Tanker Pool[1]	N/A	N/A	N/A

(1) The vessel is currently participating in an unaffiliated tanker pool specializing in the employment of Handysize tanker vessels

* On March 7, 2023, our Handysize tanker segment was contributed to Toro Corp. in connection with the Spin-Off.

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Fleet Development

During the years ended December 31, 2020, 2021 and 2022, we implemented our strategic fleet growth plan by acquiring the vessels listed below:

Dry Bulk Carriers						
Vessel Name	**Vessel Type**	**DWT**	**Year Built**	**Country of Construction**	**Purchase Price (in million)**	**Delivery Date**
			2020 Acquisitions			
Magic Rainbow	Panamax	73,593	2007	China	$ 7.85	08/08/2020
Magic Horizon	Panamax	76,619	2010	Japan	$ 12.75	10/09/2020
Magic Nova	Panamax	78,833	2010	Japan	$ 13.86	10/15/2020
			2021 Acquisitions			
Magic Orion	Capesize	180,200	2006	Japan	$ 17.50	03/17/2021
Magic Venus	Kamsarmax	83,416	2010	Japan	$ 15.85	03/02/2021
Magic Argo	Kamsarmax	82,338	2009	Japan	$ 14.50	03/18/2021
Magic Twilight	Kamsarmax	80,283	2010	S. Korea	$ 14.80	04/09/2021
Magic Nebula	Kamsarmax	80,281	2010	S. Korea	$ 15.45	05/20/2021
Magic Thunder	Kamsarmax	83,375	2011	Japan	$ 16.85	04/13/2021
Magic Eclipse	Panamax	74,940	2011	Japan	$ 18.48	06/07/2021
Magic Starlight	Kamsarmax	81,048	2015	China	$ 23.50	05/23/2021
Magic Vela	Panamax	75,003	2011	China	$ 14.50	05/12/2021
Magic Perseus	Kamsarmax	82,158	2013	Japan	$ 21.00	08/09/2021
Magic Pluto	Panamax	74,940	2013	Japan	$ 19.06	08/06/2021
Magic Mars	Panamax	76,822	2014	S. Korea	$ 20.40	09/20/2021
Magic Phoenix	Panamax	76,636	2008	Japan	$ 18.75	10/26/2021
			2022 Acquisitions			
Magic Callisto	Panamax	74,930	2012	Japan	$ 23.55	01/04/2022

Containerships						
			2022 Acquisitions			
Ariana A	2,700 TEU capacity Containership	38,117	2005	Germany	$ 25.00	11/23/22
Gabriela A	2,700 TEU capacity Containership	38,121	2005	Germany	$ 25.75	11/30/22

Aframax/LR2 Tankers*						
			2021 Acquisitions			
Wonder Polaris	Aframax LR2	115,351	2005	S. Korea	$ 13.60	03/11/21
Wonder Sirius	Aframax LR2	115,341	2005	S. Korea	$ 13.60	03/22/21
Wonder Vega	Aframax	106,062	2005	S. Korea	$ 14.80	05/21/21
Wonder Avior	Aframax LR2	106,162	2004	S. Korea	$ 12.00	05/27/21
Wonder Arcturus[(1)]	Aframax LR2	106,149	2002	S. Korea	$ 10.00	05/31/21
Wonder Musica	Aframax LR2	106,290	2004	S. Korea	$ 12.00	06/15/21
Wonder Bellatrix	Aframax LR2	115,341	2006	S. Korea	$ 18.15	12/23/21

(1) The *Wonder Arcturus* was sold on May 9, 2022, and delivered to an unaffiliated third-party on July 15, 2022.

Handysize Tankers*						
			2021 Acquisitions			
Wonder Mimosa	Handysize	36,718	2006	S. Korea	$ 7.25	05/31/21
Wonder Formosa	Handysize	36,660	2006	S. Korea	$ 8.00	06/22/21

* On March 7, 2023, our Aframax/LR2 and Handysize tanker segments were contributed to Toro Corp. in connection with the Spin-Off.

All the above-mentioned acquisitions were financed using a mix of cash from operations and the net cash proceeds from our equity and financing transactions, as further discussed under "*Item 5. Operating and Financial Review and Prospects—B. Liquidity and Capital Resources.*"

Chartering of our Fleet

We actively market our vessels, in the short, medium and long-term charter markets in order to secure optimal employment in the shipping markets in which our vessels actively participate and our commercial strategy focuses on deploying our fleet in both the spot 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.

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As of December 31, 2022, two of our dry bulk vessels were chartered in the spot trip time charter market, ten of our dry bulk vessels were fixed on period charter contracts in which the rate of daily hire is linked to the average of the time charter routes comprising the respective indices for dry bulk vessels of the Baltic Exchange, and our two Handysize tankers and our six Aframax/LR2 tankers were participating in pools, totaling 20 vessels employed in the spot market. Our remaining ten vessels as of December 31, 2022, were employed under fixed rate period contracts, namely eight dry bulk vessels employed under index-linked period charters converted to a fixed rate and two containerships under fixed rate period charter contracts.

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 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, tanker 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. 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. 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. The majority of our dry-bulk vessels are currently fixed on period charter contracts, with the rate of daily hire linked to the average of the time charter routes comprising the respective indices for dry bulk vessels of the Baltic Exchange. Such contracts also carry an option of the owners 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 (FFA) 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 two containership vessels are currently employed under period time charter contracts.

A pool consists of a group of vessels of similar types and sizes 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 but also from time to time for time charters, 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, towing companies, etc.) and as a result they are able to reduce their costs for such items. They also achieve geographic diversification by deploying their 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.

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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."*

Management of our 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 our vessel sale and purchase transactions, undertaking related shipping project, 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, we and our subsidiaries pay Castor Ships (i) a flat quarterly management fee in the amount of $0.75 million for the management and administration of our business, (ii) a daily fee of $925 per containership and dry bulk vessel and $975 per tanker vessel for the provision of ship management services under separate ship management agreements entered into by our shipowning subsidiaries, (iii) a commission of 1.25% on all gross income received from the operation of our vessels and (iv) a commission of 1% on each consummated sale and purchase transaction.

As of March 7, 2023, Castor Ships co-managed our dry bulk vessels with Pavimar and had subcontracted the technical management of our two containerships to a third-party ship-management company. Castor Ships pays, at its own expense, such third-party technical management company a fee for the services it has subcontracted to it, without burdening the Company with any additional cost, while Pavimar is paid directly from the dry bulk vessel owning subsidiaries its previously agreed proportionate daily management fee of $600 per vessel for its co-management services, with the residual amount of $325 of the agreed daily ship management fee paid to Castor Ships.

For further information, see *"Item 7. Major Shareholders and Related Party Transactions—B. Related Party Transactions."*

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, 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.

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A variety of government and private entities subject our vessels to both scheduled and unscheduled inspections. These entities include the local port authorities (applicable national authorities such as the United States Coast Guard ("USCG"), harbor master or equivalent), classification societies, flag state administrations (countries of registry) and charterers, particularly terminal operators. Certain of these entities require us to obtain permits, licenses, certificates and other authorizations for the operation of our vessels. Failure to maintain necessary permits or 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, EU, and international regulations. We believe that the operation of our vessels is in substantial compliance with applicable environmental laws and regulations and that our vessels have all material permits, licenses, certificates or other authorizations necessary for the conduct of our operations. However, because such laws and regulations frequently change and may impose increasingly stricter requirements, we cannot predict the ultimate cost of complying with these requirements, or the impact of these requirements on the resale value or useful lives of our vessels. In addition, a serious marine incident that causes significant adverse environmental impact could result in additional legislation or regulation that could have a material adverse effect on our business, financial condition, and operating results.

International Maritime Organization

The International Maritime Organization, the United Nations agency for maritime safety and the prevention of pollution by vessels (the "IMO"), has adopted the International Convention for the Prevention of Pollution from Ships, 1973, as modified by the Protocol of 1978 relating thereto, collectively referred to as MARPOL 73/78 and herein as "MARPOL", the International Convention for the Safety of Life at Sea of 1974 ("SOLAS Convention"), and the International Convention on Load Lines of 1966. MARPOL establishes environmental standards relating to oil leakage or spilling, garbage management, sewage, air emissions, handling and disposal of noxious liquids and the handling of harmful substances in packaged forms. MARPOL is applicable to dry bulk, tankers, containers, LPGs and LNG carriers, among other vessels, and is broken into six Annexes, each of which regulates a different source of pollution. Annex I relates to 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 pollution from vessels. Effective May 2005, Annex VI sets limits on sulfur oxide and nitrogen oxide 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 areas to be established with more stringent controls 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 oxide, 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 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.

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

Amended Annex VI also establishes new tiers of 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. Tier III requirements could apply to areas that will be designated for Tier III NOx in the future. 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. As all of our vessels were built prior to 2016, we are not affected by Tier III requirements from an operational perspective. While we are currently in compliance with applicable regulations regarding emissions NOx, we may acquire additional vessels that are not in compliance with such regulations or become subject to additional trading restrictions applicable to our vessels which are currently in compliance with Tier I or II NOx standards, either of which may cause us to us incur additional capital expenses and/or other compliance costs.

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. As determined at the MEPC 70, the new Regulation 22A of MARPOL Annex VI became effective as of March 1, 2018, and requires ships above 5,000 gross tonnage to collect and report annual data on fuel oil consumption to an IMO database, with the first year of data collection having commenced on January 1, 2019. The IMO intends to use such data as the first step in its roadmap (through 2023) for developing its strategy to reduce greenhouse gas emissions from ships, as discussed further below.

As of January 1, 2013, MARPOL made mandatory certain measures relating to energy efficiency for ships. All ships are now required to develop and implement Ship Energy Efficiency Management Plans ("SEEMPS"), and new ships must be designed in compliance with minimum energy efficiency levels per capacity mile as defined by the Energy Efficiency Design Index ("EEDI"). Under these measures, by 2025, all new ships built will be 30% more energy efficient than those built in 2014. Additionally, MEPC 75 adopted amendments to MARPOL Annex VI which brings forward the effective date of the EEDI's "phase 3" requirements from January 1, 2025 to April 1, 2022 for several ship types, including gas carriers, general cargo ships, and LNG carriers. This may require us to incur additional operating or other costs for those vessels built after January 1, 2013. Further, MEPC 75 proposed draft amendments requiring that, on or before January 1, 2023, all ships above 400 gross tonnage must have an approved SEEMP on board. For ships above 5,000 gross tonnage, the SEEMP would need to include certain mandatory content.

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 CO2 emissions 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. However, there is still uncertainty regarding the exact measures that the IMO will undertake to achieve these targets. IMO-related uncertainty is also a factor discouraging ship owners from ordering newbuild vessels, as these vessels may have high future environmental compliance costs.

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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 D or E for three consecutive years would have to submit a corrective action plan to show how the required index (C 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) are expected to enter 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 in 2023, with the first rating given in 2024. 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 and ending in 2026 with 100% of the emissions produced by these voyages.

We may incur costs to comply with these revised standards including introduction of new emissions software platform applications which will enable continuous monitoring of CIIs as well as automatic generation of CII reports, amendment of SEEMP part II 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.

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

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

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

Furthermore, recent action by the IMO's Maritime Safety Committee and United States agencies indicates that cybersecurity regulations for the maritime industry are likely to be further developed in the near future in an attempt to combat cybersecurity threats. Companies are required from January 2021 to develop additional procedures for monitoring cybersecurity in addition to those required by the IMO, which could require additional expenses and/or capital expenditures.

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 would be exempted. 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.

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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, the schedule regarding the BWM Convention's implementation dates was also discussed and 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 on-board systems to treat ballast water and eliminate unwanted organisms. Ballast water management systems, which include systems that make use of chemical, biocides, organisms or biological mechanisms, or which alter the chemical or physical characteristics of the Ballast Water, must be approved in accordance with IMO Guidelines (Regulation D-3). As of October 13, 2019, MEPC 72's amendments to the BWM Convention took effect, making the Code for Approval of Ballast Water Management Systems, which governs assessment of ballast water management systems, mandatory rather than permissive, and formalized an implementation schedule for the D-2 standard. Under these amendments, all ships must meet the D-2 standard by September 8, 2024. Significant costs may be incurred to comply with these regulations. Additionally, in November 2020, MEPC 75 adopted amendments to the BWM Convention which would require a commissioning test of the ballast water management system for the initial survey or when performing an additional survey for retrofits. This analysis will not apply to ships that already have an installed BWM system certified under the BWM Convention. These amendments entered into force on June 1, 2022. As of December 31, 2022, we had made $5.7 million in capital expenditures relating to the installation of BWTS on our vessels. For further information on these installations, see *"A. History and Development of the Company."*

Mandatory mid-ocean exchange ballast water treatment requirements under the BWM Convention may increase the cost of compliance could increase for ocean carriers and may have a material effect on our operations. However, many countries already regulate the discharge of ballast water carried by vessels from country to country to prevent the introduction of invasive and harmful species via such discharges. The U.S., for example, requires vessels entering its waters from another country to conduct mid-ocean ballast exchange, or undertake some alternate measure, and to comply with certain reporting requirements. Ballast water compliance requirements could adversely affect our business, results of operations, cash flows and financial condition.

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

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

Anti-Fouling Requirements

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

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

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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 report, our vessels were ISM Code certified through Pavimar, the technical operator of our vessels. The 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; 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). 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.

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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. 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, and the Trump administration had proposed leasing new sections of U.S. waters to oil and gas companies for offshore drilling. The effects of these proposals and changes are currently unknown, and recently, the Biden administration issued an executive order temporarily blocking new leases for oil and gas drilling in federal waters. While a U.S. federal court has since granted an injunction against this executive order, the sale of a large number of previously auctioned oil and gas leases in the Gulf of Mexico has recently been blocked by another U.S. federal court. The U.S. Department of Justice is currently appealing the injunction against the executive order. 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.

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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 rules relating to ballast water discharge, 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. Under VIDA, all provisions of the 2013 VGP and USCG regulations regarding ballast water treatment remain in force and effect until the EPA and 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 PARI 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 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.

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, but certain exceptions apply to 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 the SOx-Emission Control Area, use fuels with a 0.5% maximum sulfur content.

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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 will be phased in beginning in 2023.

International Labour Organization

The International Labour 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.

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 to a successor to the Kyoto Protocol, 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 on June 1, 2017, the Trump administration announced that the United States intended to withdraw from the Paris Agreement, and the withdrawal became effective on 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.

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.

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.

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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 signed an executive order to review and possibly eliminate elements of the EPA's plan to cut greenhouse gas emissions. Subsequent rules rolled back standards to control methane and volatile organic compound emissions from new oil and gas facilities. However, the Biden administration recently directed the EPA to publish a rules suspending, revising, or rescinding certain of these regulations. 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.

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, on-board 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; on-board 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. 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.

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Inspection by Classification Societies

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

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

Risk of Loss and Liability Insurance

General

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

Hull and Machinery Insurance

We procure hull and machinery insurance, protection and indemnity insurance, which includes environmental damage and pollution insurance and war risk insurance and freight, demurrage and defense insurance for our fleet. We generally do not maintain insurance against loss of hire, which covers business interruptions that result in the loss of use of a vessel.

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 $1 billion per vessel per incident. There are 13 P&I Associations that comprise the "International Group", a group of P&I Associations that insure approximately 90% of the world's commercial tonnage and have entered into a pooling agreement to reinsure each association's liabilities. The International Group's website states that the pool provides a mechanism for sharing all claims in excess of US$ 10 million up to, currently, approximately US$ 3.1 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.

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Competition

We operate in markets that are highly competitive. The process of obtaining new employment for our fleet generally involves intensive screening, and competitive bidding, and often extends for several months. We compete for charters on the basis of price, vessel location, size, age and condition of the vessel, as well as on 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. Ownership of dry bulk and containership vessels is highly fragmented.

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. 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.

Seasonality

Demand for our dry bulk vessels and containerships vessels has historically exhibited, and is expected to continue to exhibit, seasonal variations and, as a result, fluctuations in charter rates. 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.

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 on Form 20-F.

D. PROPERTY, PLANTS AND EQUIPMENT

We own no properties other than our vessels. For a description of our fleet, please see *"Item 4. Information on the Company—B. Business Overview—Our Fleet."*

ITEM 4A. UNRESOLVED STAFF COMMENTS

None.

ITEM 5. OPERATING AND FINANCIAL REVIEW AND PROSPECTS

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

For a discussion of our results for the year ended December 31, 2021, compared to the year ended December 31, 2020, please see *"—A. Operating Results – Year ended December 31, 2021 as compared to year ended December 31, 2020"* contained in our annual report on Form 20-F for the year ended December 31, 2021, filed with the SEC on March 31, 2022.

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On March 7, 2023, we distributed on a pro rata basis all common shares of Toro received in connection with the Spin-Off to our holders of common stock of record at the close of business on February 22, 2023. As a result, as of and from March 7, 2023, our business is comprised of two reportable segments, Dry bulk and Containerships. For more information, please see *"Item 3. Key Information", "Item 4. Information on the Company—A. History and Development of the Company", "Item 7. Major Shareholders and Related Party Transactions B. Related Party Transactions*" and Note 18 to our consolidated financial statements included elsewhere in this annual report.

The Company's business could be materially and adversely affected by the risks, or the public perception of the risks related to the COVID-19 pandemic. 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 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

During the fourth quarter of 2022, we established our containership operations through the acquisition of two containerships. As a result, as of December 31, 2022, we operated in four reportable segments: (i) dry bulk, (ii) Aframax/LR2 tanker, (ii) Handysize tanker and (iv) containership segments. The reportable segments reflect the internal organization of the Company and the way the chief operating decision maker reviews the operating results and allocates capital within the Company. In addition, the transport of dry cargo commodities, which are carried by dry bulk vessels, has different characteristics to the transport of crude oil (carried by Aframax/LR2 tankers) and differs again from the transport of oil products (carried by Handysize tanker vessels) and containerized products (carried by containerships). Further, our dry bulk vessels and containerships trade on different types of charter contracts as compared to our tanker vessels, which are employed predominantly in pools. The transportation of crude oil also has different characteristics to the transportation of oil products in terms of trading routes and cargo handling. In addition, the transportation of containerized goods, the nature of trade, as well as the trading routes, charterers and cargo handling, is different from the other three segments.

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 industry and within our operating segments;
- 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 growth business strategy, including our ability to obtain equity and debt financing at acceptable and attractive terms to fund future capital expenditures and/or to implement our business strategy;
- The global economic growth outlook and trends, such as price inflation and/or volatility;
- Economic, regulatory, political and governmental conditions that affect the shipping industry and our operating segments, including international conflict or war (or threatened war), such as the conflict in Ukraine;
- The employment and operation of our fleet including the utilization rates of our vessels;
- The ability to successfully employ our vessels at economically attractive rates and our strategic decisions regarding the employment mix of our fleet in the time, voyage, and pool charter markets, as our charters expire or are otherwise terminated;

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- Management of the operational, financial, general and administrative elements involved in the conduct of our business and ownership of our fleet, including the effective and efficient management of our fleet by our head and sub-managers, and their suppliers;

- The number of charterers and pool operators who use our services and the performance of their obligations under their agreements, including their ability to make timely payments to us;

- The ability to maintain solid working relationships with our existing charterers and pool operators and our ability to increase the number of our charterers through the development of new working relationships;

- The vetting approvals of our head manager and/or sub-managers for the management of our vessels;

- Dry-docking and special survey costs and duration, both expected and unexpected;

- The level of any distribution on all classes of our shares;

- Our borrowing levels and the finance costs related to our outstanding debt as well as our compliance with our debt covenants; and

- Management of our financial resources, including banking relationships and of the relationships with our various stakeholders;

- Major outbreaks of diseases (such as COVID-19) and governmental responses thereto.

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.

Hire Rates and Cyclical Nature of the Industry

One of the factors that impacts our profitability is the hire rates at which we are able to fix our vessels. The shipping industry is cyclical with attendant volatility in charter hire rates and, as a result, profitability. The dry bulk, tanker 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, tanker 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 gross revenues for the year ended December 31, 2022, consisted of hire earned under time charter contracts, where charterers pay a fixed or index-linked daily hire, and other compensation costs related to the contracts (such as ballast positioning compensation, holds cleaning compensation, etc.), revenue under voyage charter contracts, where charterers in most cases pay a fixed amount per ton of cargo carried and in fewer cases a lump sum amount, and pool revenue for certain of our tanker vessels. Pooling arrangements aggregate vessels of similar types and sizes under a central administration, which are marketed as a single entity and for which revenues are pooled and distributed to owners based on an agreed key. Pools employ experienced commercial charterers and operators who have close working relationships with customers and brokers, while technical management is separate from pool operations. Pools negotiate charters with customers primarily in the spot market but may also arrange time charter agreements. The size and scope of these pools enable them to enhance utilization rates for pool vessels by securing backhaul voyages and contract of affreightment, generating higher revenues than otherwise might be obtainable in the spot market. We believe that pooling arrangements offer our customers greater flexibility and a higher level of service, while achieving scheduling efficiencies. For further details on these arrangements, refer to "*Item 4. Information on the Company A. Business Overview Chartering of our Fleet.*"

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Our future gross revenues may be affected by the commercial strategy including the decisions regarding the employment mix of our Fleet, including among the spot market and time charters and, where applicable, pool arrangements. See Note 17 to our consolidated financial statements included elsewhere in this annual report for further details regarding segment revenues. Year-to-year comparisons of gross revenues are not necessarily indicative of vessel performance. We believe that the TCE rate provides a more accurate measure for comparison and such measure is one of the metrics used by our management to assess the performance of our business and segments.

The Dry Bulk Industry

The Baltic Dry Index (BDI) average for the years ended December 31, 2021, and 2022 was 2,943 points and 1,934 points, respectively. During 2022, the dry bulk market was affected by the extended "zero COVID" policy of China which resulted in reduced demand of raw materials. In addition, port congestion eased at the majority of ports around the world and docking repairs and crew changes resumed to pre-pandemic normal operation mode. There was significant volatility during the year as the BDI recorded its annual high of 3,369 points on May 23, 2022, but ended the year 55% lower, at 1,515 points. The global dry cargo fleet deadweight carrying capacity for 2022 increased by approximately 2.8% which remains significantly lower from the substantial increases during the early 2000s and mid-2010s, while demand for dry bulk commodities, decreased by approximately 2.7%. 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 declined sharply during the second half of 2022 following exceptional highs in the first half of 2022 and charter rates for containerships have continued to ease into early 2023. Freight and charter rates remain weak on the back of a severe pressure on global box trade as a result of the weak macroeconomic negative outlook and elevated inflation rates, the easing of port congestion and logistical disruptions. The global container fleet for 2022 increased by 4% in terms of deadweight carrying capacity, while demand in 2023 for containerized products is expected by market analysts to decrease by 1% compared to 2022 due to the deteriorating economic outlook.

The Tanker Industry

The spot tanker market performed strongly in 2022, particularly after the first quarter and, overall 2022 was one of the best years for spot crude tanker trades since 2000. Deadweight carrying capacity of the tanker fleet increased by approximately 3.4% in 2022, as compared to 1.6% in 2021, while demand for crude oil and products is expected to continue at a high pace. During 2022, the spot tanker market improved after an initial period of increased volatility following the invasion of Ukraine by Russia and subsequent imposition of sanctions against Russia. However, the spot tanker market remains volatile and subject to uncertainty due to such invasion and its ongoing effects on global demand for and supply of crude oil and refined petroleum products. Volatility in charter rates in the tanker market may affect the value of tanker vessels, which occasionally follow the trends of tanker charter rates, and similarly affects our earnings, cash flows and liquidity.

Employment and operation of our fleet

Another factor that impacts our profitability is the 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 sectors in which we operate, our commercial strategy including the decisions regarding the employment mix of our fleet among time, voyage and pool charters as well as our managers' and sub-managers' ability to leverage our relationships with existing or potential customers. Our customer base in our various segments is currently concentrated to a small number of charterers and pool managers, in part due to the fact that we are a new entrant to the containership and tanker shipping industries. In particular, for the years ended December 31, 2022 and 2021, we derived 75% and 55%, respectively, of our dry bulk segment operating revenues from three charterers. For the years ended December 31, 2022 and 2021, we also derived 100% of our Handysize tanker segment operating revenues from the pool in which both our Handysize tankers participate and 43% and 52%, respectively, of our Aframax/LR2 tanker segment revenues from two pool managers and a charterer and two charterers, respectively. Further, for the year ended December 31, 2022, we derived 100% of our containership segment operating revenues from one charterer.

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Further, 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 onshore 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 six months of taking over a vessel and the ongoing performance monitoring of the vessels.

Financial, general and administrative management

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

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

Important Measures and Definitions for Analyzing Results of Operations

Our management uses the following metrics to evaluate our operating results, including the operating results at the segment level and to allocate capital accordingly:

Total vessel revenues. Total vessel revenues were historically generated from time charters, voyage charters and pool arrangements, as applicable in each 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, vessels operating on voyage charters and vessels in pools.

We measure revenues in the dry bulk, Aframax/LR2 tanker, Handysize tanker and containership segments in which we historically operated for three separate activities: (i) time charter revenues, (ii) voyage charter revenues, and (iii) pool revenues. For a breakdown of vessel revenues for the year ended December 31, 2022, please refer to Notes 2 and 12 to our consolidated financial statements included elsewhere in this annual report. For a description of these types of chartering arrangements, refer to ''*Item 4. Information on the Company—B. Business Overview—Chartering of Our Fleet*''.

Voyage expenses. Our voyage expenses primarily consist of bunker expenses, port and canal expenses and brokerage commissions paid in connection with the chartering of our vessels. Under a time charter, the charterer pays substantially all the vessel voyage related expenses. However, we may incur voyage related expenses 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 voyage charters, relevant to our tanker segments that were contributed to Toro in connection with the Spin-Off, the majority of voyage expenses were generally borne by us whereas for vessels in a pool, such expenses were handled 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.

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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 ship management fees. Expenses for repairs and maintenance tend to fluctuate from period to period because most repairs and maintenance typically occur during periodic drydocking. Our ability to control our vessels' operating expenses also affects our financial results.

Off-hire. The period 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 fleet for inspection, repairs and maintenance and any modifications 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 off-hire 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 and minimize the number of days that its vessels are off-hire for reasons such as major repairs, vessel upgrades, dry-dockings or special or intermediate surveys and other unforeseen events.

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

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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 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, 2022, 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). We entered the containerships business in the fourth quarter of 2022 and, accordingly, no comparative financial information exists for the year ended December 31, 2021.

Reconciliation of Daily TCE Rate to Total vessel revenues — Consolidated

	Year Ended December 31,	
	2021	**2022**
Total vessel revenues	$ 132,049,710	$ 262,101,998
Voyage expenses - including commissions from related party	(12,950,783)	(33,040,690)
TCE revenues	**$ 119,098,927**	**$ 229,061,308**
Available Days	6,657	10,212
Daily TCE Rate	**$ 17,891**	**$ 22,431**

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

	Year Ended December 31,	
	2021	**2022**
Total vessel revenues	$ 102,785,442	$ 148,930,997
Voyage expenses - including commissions from related party	(1,891,265)	(3,649,943)
TCE revenues	**$ 100,894,177**	**$ 145,281,054**
Available Days	4,843	7,105
Daily TCE Rate	**$ 20,833**	**$ 20,448**

Reconciliation of Daily TCE Rate to Total vessel revenues — Aframax/LR2 Tanker Segment

	Year Ended December 31,	
	2021	**2022**
Total vessel revenues	$ 26,559,413	$ 96,248,215
Voyage expenses - including commissions from related party	(11,003,925)	(29,100,348)
TCE revenues	**$ 15,555,488**	**$ 67,147,867**
Available Days	1,446	2,307
Daily TCE Rate	**$ 10,758**	**$ 29,106**

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Reconciliation of Daily TCE Rate to Total vessel revenues — Handysize Tanker Segment

	Year Ended December 31,	
	2021	2022
Total vessel revenues	$ 2,704,855	$ 15,637,653
Voyage expenses - including commissions from related party	(55,593)	(219,066)
TCE revenues	**$ 2,649,262**	**$ 15,418,587**
Available Days	368	730
Daily TCE Rate	**$ 7,199**	**$ 21,121**

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

	Period Ended December 31,
	2022
Total vessel revenues	$ 1,285,133
Voyage expenses - including commissions from related party	(71,333)
TCE revenues	**$ 1,213,800**
Available Days	70
Daily TCE Rate	**$ 17,340**

Operational Metrics — Consolidated

	Year Ended December 31,	
	2021	2022
Daily vessel operating expenses	$ 5,759	$ 6,007
Ownership Days	6,807	10,482
Available Days	6,657	10,212
Operating Days	6,562	10,153
Fleet Utilization	99%	99%
Daily TCE Rate	$ 17,891	$ 22,431
EBITDA	$ 69,910,529	$ 152,765,204

Operational Metrics — Dry Bulk Segment

	Year Ended December 31,	
	2021	2022
Daily vessel operating expenses	$ 5,418	$ 5,577
Ownership Days	4,954	7,297
Available Days	4,843	7,105
Operating Days	4,766	7,056
Fleet Utilization	98%	99%
Daily TCE Rate	$ 20,833	$ 20,448

Operational Metrics — Aframax/LR2 Tanker Segment

	Year Ended December 31,	
	2021	2022
Daily vessel operating expenses	$ 6,761	$ 7,290
Ownership Days	1,446	2,385
Available Days	1,446	2,307
Operating Days	1,428	2,298
Fleet Utilization	99%	100%
Daily TCE Rate	$ 10,758	$ 29,106

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Operational Metrics — Handysize Tanker Segment

	Year Ended December 31,	
	2021	2022
Daily vessel operating expenses	$ 6,352	$ 5,921
Ownership Days	407	730
Available Days	368	730
Operating Days	368	730
Fleet Utilization	100%	100%
Daily TCE Rate	$ 7,199	$ 21,121

Operational Metrics — Containership Segment

	Period Ended December 31,
	2022
Daily vessel operating expenses	$ 8,024
Ownership Days	70
Available Days	70
Operating Days	69
Fleet Utilization	99%
Daily TCE Rate	$ 17,340

Reconciliation of consolidated EBITDA to net income — Consolidated

	Year Ended December 31,	
	2021	2022
Net Income	$ 52,270,487	$ 118,560,690
Depreciation and amortization	14,362,828	25,829,713
Interest and finance costs, net (including related party interest costs) [(1)]	2,779,875	7,025,951
Income taxes	497,339	1,348,850
EBITDA	**$ 69,910,529**	**$ 152,765,204**

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

Consolidated Results of Operations

Year ended December 31, 2022 as compared to year ended December 31, 2021

	Year ended December 31, 2021	Year ended December 31, 2022	Change-amount	Change %
Total vessel revenues	132,049,710	262,101,998	130,052,288	98.5%
Expenses:				
Voyage expenses (including commissions to related party)	(12,950,783)	(33,040,690)	20,089,907	155.1%
Vessel operating expenses	(39,203,471)	(62,967,844)	23,764,373	60.6%
Management fees to related parties	(6,744,750)	(9,395,900)	2,651,150	39.3%
Depreciation and amortization	(14,362,828)	(25,829,713)	11,466,885	79.8%
Provision for doubtful accounts	(2,483)	(266,732)	264,249	10,642.3%
General and administrative expenses (including related party)	(3,266,310)	(7,043,937)	3,777,627	115.7%
Gain on sale of vessel	—	3,222,631	3,222,631	100.0%
Operating income	55,519,085	126,779,813	71,260,728	128.4%
Interest and finance costs, net (including interest costs from related party)	(2,779,875)	(7,025,951)	4,246,076	152.7%
Total other expenses, net	(2,751,259)	(6,870,273)	4,119,014	149.7%
Income taxes	(497,339)	(1,348,850)	851,511	171.2%
Net income and comprehensive income	52,270,487	118,560,690	66,290,203	126.8%
Earnings per common share, basic	0.48	1.25		
Earnings per common share, diluted	0.47	1.25		
Weighted average number of common shares, basic	83,923,435	94,610,088		
Weighted average number of common shares, diluted	85,332,728	94,610,088		

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Total vessel revenues – Total vessel revenues increased from $132.0 million in the year ended December 31, 2021, to $262.1 million in the same period of 2022. This increase was largely driven by (i) the increase in our fleet's Operating Days to 10,153 in the year ended December 31, 2022 from 6,562 in the year ended December 31, 2021, which was primarily driven by the growth of our fleet and (ii) the stronger Aframax/LR2 and Handysize tanker markets in 2022, resulting in higher daily revenues earned on average for our fleet as compared with these earned during the same period of 2021.

Voyage Expenses – Voyage expenses increased by $20.1 million, from $12.9 million in the year ended December 31, 2021, to $33.0 million in the corresponding period of 2022. This variation in voyage expenses is mainly associated with the increase (i) in bunker prices in the year ended December 31, 2022 as compared with the corresponding period in 2021, (ii) in bunkers consumption for our tanker segment vessels as a result of an increase in the days that these were engaged in the voyage charter market (from 633 Operating Days in the voyage charter market in the year ended December 31, 2021 to 1,078 Operating Days in the voyage charter market in the same period of 2022), and (iii) in brokerage commissions, consistent with the increase in total vessel revenues in the period, as discussed above.

Vessel Operating Expenses – The increase in operating expenses by $23.8 million, from $39.2 million in the year ended December 31, 2021 to $63.0 million in the same period of 2022 mainly reflects the increase in the Ownership Days vessels in our fleet.

Management Fees – Management fees in the year ended December 31, 2021, amounted to $6.7 million, whereas, in the same period of 2022, management fees totaled $9.4 million. This increase in management fees is due to the increase in the total number of Ownership Days of our fleet for which our managers charged us a daily management fee as well as the increased management fees following our entry into the Amended and Restated Master Management Agreement with effect from July 1, 2022. 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 and the amortization of vessels' capitalized dry-dock costs. Depreciation expenses increased from $13.2 million in the year ended December 31, 2021, to $23.1 million in the same period of 2022 as a result of the increase in the Ownership Days of our fleet. Dry-dock and special survey amortization charges amounted to $2.7 million for the year ended December 31, 2022, versus a relevant charge of $1.2 million in the respective period of 2021. This increase in dry-dock amortization charges primarily resulted from the increase in dry-dock amortization days from 1,524 days in the year ended December 31, 2021, to 2,890 days in the year ended December 31, 2022.

General and Administrative Expenses – General and administrative expenses in the year ended December 31, 2021, amounted to $3.3 million, whereas, in the same period of 2022, general and administrative expenses totaled $7.0 million. This increase stemmed from higher corporate fees primarily related to the Spin-Off and the higher fees paid to Castor Ships, the head technical and commercial ship manager, following the amendments to our master management agreement with effect from July 1, 2022.

Gain on sale of vessel – On July 15, 2022, we concluded the sale of the *M/T Wonder Arcturus* which we sold, pursuant to an agreement dated May 9, 2022, for a cash consideration of $13.15 million. The sale resulted in net proceeds to the Company of $12.6 million and the Company recording a net sale gain of $3.2 million.

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Interest and finance costs, net – The increase by $4.2 million in net interest and finance costs in the year ended December 31, 2022, as compared with the previous year is due to the increase in (i) the level of our weighted average indebtedness from $60.5 million in 2021 to $145.1 million in 2022, and (ii) the weighted average interest rate on our long-term debt from 3.6% in the year ended December 31, 2021 to 5.1% in the year ended December 31, 2022.

Income Taxes – Income taxes comprise entirely of U.S. source income taxes. The $0.9 million increase in income taxes in the year ended December 31, 2022, as compared with the same period in 2021, is mainly attributed to the increase in our tanker segments' pool earnings and charter rates, accompanied by a significant increase in port call days.

Segment Results of Operations

Year ended December 31, 2022, as compared to year ended December 31, 2021 — Dry Bulk Segment

	Year ended December 31, 2021	Year ended December 31, 2022	Change-amount	Change %
Total vessel revenues	102,785,442	148,930,997	46,145,555	44.9%
Expenses:				
Voyage expenses (including commissions to related party)	(1,891,265)	(3,649,943)	1,758,678	93.0%
Vessel operating expenses	(26,841,600)	(40,697,898)	13,856,298	51.6%
Management fees to related parties	(4,890,900)	(6,481,000)	1,590,100	32.5%
Depreciation and amortization	(10,528,711)	(18,039,966)	7,511,255	71.3%
Provision for doubtful accounts	(2,483)	—	(2,483)	(100.0)%
Segment operating income	58,630,483	80,062,190	21,431,707	36.6%

Total vessel revenues

Total vessel revenues for our dry bulk segment, increased from $102.8 million in the year ended December 31, 2021, to $148.9 million in the same period of 2022. This variation was mainly due to the increase in our dry bulk fleet's Operating Days from 4,766 days in the year ended December 31, 2021, to 7,056 days in the year ended December 31, 2022, mainly driven by the growth of our dry bulk segment fleet.

Voyage Expenses

Voyage expenses increased by $1.7 million, from $1.9 million in the year ended December 31, 2021, to $3.6 million in the corresponding period of 2022. This variation in voyage expenses is mainly associated with the increase in (i) brokerage commissions by $1.2 million, commensurate with the increase in total vessel revenues in the period, and (ii) port and other voyage expenses by $0.3 million.

Vessel Operating Expenses

The increase in operating expenses by $13.9 million, to $40.7 million in the year ended December 31, 2022, from $26.8 million in the same period in 2021, mainly reflects the increase in the Ownership Days of our dry bulk fleet to 7,297 days in the year ended December 31, 2022, from 4,954 days in the corresponding period in 2021.

Management Fees

Management fees for our dry bulk fleet in the year ended December 31, 2022, amounted to $6.5 million, whereas, in the year ended December 31, 2021, management fees totaled $4.9 million. This increase in management fees is due to the increase in the total number of Ownership Days of our dry bulk fleet for which our managers charged us a daily management fee as well as the increased management fees following our entry into the Amended and Restated Master Management Agreement with effect from July 1, 2022.

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Depreciation and Amortization

Depreciation expenses for our dry bulk fleet increased to $16.0 million in the year ended December 31, 2022, from $9.5 million in the year ended December 31, 2021 as a result of the increase in the Ownership Days of our fleet. Dry-dock and special survey amortization charges amounted to $2.0 million for the year ended December 31, 2022, compared to a charge of $1.0 million in the same period in 2021. This variation in dry-dock amortization charges primarily resulted from the increase in dry-dock amortization days from 1,349 days in the year ended December 31, 2021, to 2,326 dry-dock amortization days in the year ended December 31, 2022.

Year ended December 31, 2022, as compared to period ended December 31, 2021—Aframax/LR2 Tanker Segment

	Period ended December 31, 2021	Year ended December 31, 2022	Change -amount	Change %
Total vessel revenues	26,559,413	96,248,215	69,688,802	262.4%
Expenses:				
Voyage expenses (including commissions to related party)	(11,003,925)	(29,100,348)	18,096,423	164.5%
Vessel operating expenses	(9,776,724)	(17,386,009)	7,609,285	77.8%
Management fees to related parties	(1,433,950)	(2,167,000)	733,050	51.1%
Depreciation and amortization	(3,087,764)	(5,889,352)	2,801,588	90.7%
Provision for doubtful accounts	—	(266,732)	266,732	100.0%
Gain on sale of vessel	—	3,222,631	3,222,631	100.0%
Segment operating income	1,257,050	44,661,405	43,404,355	3,452.9%

Total vessel revenues

Total vessel revenues for our Aframax/LR2 tanker fleet amounted to $96.2 million in the year ended December 31, 2022, whereas, in the period ended December 31, 2021, vessel revenues amounted to $26.6 million. This increase is mainly due to (i) the improved Aframax/LR2 tanker market which resulted to our Aframax/LR2 tanker fleet earning on average a Daily TCE Rate of $29,106 during the year ended December 31, 2022, compared to an average Daily TCE Rate of $10,758 earned during the period ended December 31, 2021, and (ii) the expansion of our Aframax/LR2 tanker fleet, which resulted in an increase in our Operating Days to 2,298 days in the year ended December 31, 2022, from 1,428 days in the period ended December 31, 2021.

Voyage Expenses

Voyage expenses for our Aframax/LR2 tanker fleet amounted to $29.1 million and $11.0 million in the year ended December 31, 2022, and the period ended December 31, 2021, respectively. This increase in voyage expenses is mainly associated with (i) the $14.2 million increase in bunkers consumption for our Aframax/LR2 tanker segment vessels as a result of an increase in the days that these were engaged in the voyage charter market (from 633 Operating Days in the voyage charter market in the year ended December 31, 2021 to 1,078 Operating Days in the voyage charter market in the same period of 2022), also associated with the ownership of a larger, on average, Aframax/LR2 fleet, (ii) the increase in bunker prices in the year ended December 31, 2022 as compared with the corresponding period in 2021, and (iii) a $2.0 million increase in brokerage commissions, consistent with the increase in total vessel revenues in the period, as discussed above.

Vessel Operating Expenses

The increase in operating expenses by $7.6 million, to $17.4 million in the year ended December 31, 2022, from $9.8 million in the period ended December 31, 2021, mainly reflects the increase in (i) the Ownership Days of our Aframax/LR2 fleet vessels to 2,385 days in the year ended December 31, 2022, from 1,446 days in the period ended December 31, 2021 and, (ii) the increase in spares/repairs and stores costs for certain of our Aframax/ LR2 vessels.

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Management Fees

Management fees for our Aframax/LR2 tanker fleet in the year ended December 31, 2022, amounted to $2.2 million, whereas, in the period ended December 31, 2021, management fees totaled $1.4 million. This variation in management fees is due to the increase in the total number of Ownership Days of the Aframax/LR2 tanker fleet for which our managers charged us a daily management fee as well as the increased management fees following our entry into the Amended and Restated Master Management Agreement.

Depreciation and Amortization

Depreciation expenses for our Aframax/LR2 tanker fleet increased to $5.5 million in the year ended December 31, 2022, from $3.1 million in the period ended December 31, 2021 as a result of the increase in the Ownership Days of our Aframax/LR2 tanker fleet. Dry-dock and special survey amortization charges in the year ended December 31, 2022 of $0.4 million relate to the amortization of the *M/T Wonder Musica* that underwent its scheduled dry-docking repairs during the second quarter of 2022. No such charges were incurred in the period ended December 31, 2021.

Gain on sale of vessel

Refer to discussion under "*Consolidated Results of Operations — Gain on sale of vessel*" above for details on the sale of the *M/T Wonder Arcturus*.

Year ended December 31, 2022, as compared to period ended December 31, 2021 – Handysize Tanker Segment

	Period ended December 31, 2021	Year ended December 31, 2022	Change -amount	Change %
Total vessel revenues	2,704,855	15,637,653	12,932,798	478.1%
Expenses:				
Voyage expenses (including commissions to related party)	(55,593)	(219,066)	163,473	294.1%
Vessel operating expenses	(2,585,147)	(4,322,281)	1,737,134	67.2%
Management fees to related parties	(419,900)	(666,500)	246,600	58.7%
Depreciation and amortization	(746,353)	(1,405,124)	658,771	88.3%
Segment operating (loss)/income	(1,102,138)	9,024,682	10,126,820	918.8%

Total vessel revenues

Total vessel revenues for our Handysize tanker fleet amounted to $15.6 million in the year ended December 31, 2022, whereas, in the period ended December 31, 2021, total vessel revenues amounted to $2.7 million. The variation was mainly due to (i) the increase in the segment's Operating Days from 368 days in the period ended December 31, 2021 to 730 days in the year ended December 31, 2022, and (ii) the improvement in the Handysize tanker market, reflected in the increase in the Handysize fleet average Daily TCE Rate from $7,199 in the period ended December 31, 2021 to $21,121 in the year ended December 31, 2022.

Voyage Expenses

Voyage expenses for our Handysize tanker segment amounted to $0.2 million in the year ended December 31, 2022, from $0.1 million in the period ended December 31, 2021. The increase in voyage expenses in the periods discussed is predominantly attributed to the increase in brokerage commissions, consistent with the increase in total vessel revenues, discussed above.

Vessel Operating Expenses

The increase in operating expenses by $1.7 million, to $4.3 million in year ended December 31, 2022, from $2.6 million in the period ended December 31, 2021, reflects the increase in the Ownership Days of our Handysize tanker fleet to 730 days in the year ended December 31, 2022, up from 407 days in the period ended December 31, 2021.

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Management Fees

Management fees for our Handysize tanker fleet in the year ended December 31, 2022, amounted to $0.7 million, whereas, in the period ended December 31, 2021, management fees totaled $0.4 million. This increase in management fees is due to the increase in the total number of Ownership Days of our Handysize tanker fleet for which our managers charged us a daily management fee as well as the increased management fees following our entry into the Amended and Restated Master Management Agreement with effect from July 1, 2022.

Depreciation and Amortization

Depreciation expenses for our Handysize tanker fleet increased to $1.1 million in the year ended December 31, 2022, from $0.6 million in the period ended December 31, 2021 as a result of the increase in the Ownership Days of our Handysize tanker fleet. Dry-dock amortization charges in the year ended December 31, 2022, and the period ended December 31, 2021, amounted to $0.3 million and $0.1 million, respectively, and relate to the *M/T Wonder Mimosa* which underwent its scheduled dry-dock and special survey during 2021.

Period ended December 31, 2022 – Containership Segment

We entered the containership business in the fourth quarter of 2022 and, accordingly, no comparative financial information exists for the year ended December 31, 2021.

	Period ended December 31, 2022
Total vessel revenues	$ 1,285,133
Expenses:	
Voyage expenses (including commissions to related party)	(71,333)
Vessel operating expenses	(561,656)
Management fees to related parties	(81,400)
Depreciation and amortization	(495,271)
Segment operating income	$ 75,473

Total vessel revenues

Total vessel revenues, for our containership segment amounted to $1.3 million in the period ended December 31, 2022. During the period ended December 31, 2022, we owned on average 0.2 containerships over the calendar year that earned a Daily TCE Rate of $17,340. During the period in which we owned them, both our containerships were engaged in period time charters.

Voyage Expenses

Voyage expenses for our containership segment amounted to $0.1 million in the period ended December 31, 2022, mainly comprising brokerage commissions.

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Vessel Operating Expenses

Operating expenses for our containership segment amounted to $0.6 million in the period ended December 31, 2022, and mainly comprised of crew wages costs, repairs and maintenance costs and lubricants' consumption costs.

Management Fees

Management fees for our containership segment amounted to $0.1 million in the period ended December 31, 2022.

Depreciation and Amortization

Depreciation and amortization expenses amounted to $0.5 million in the period ended December 31, 2022 and exclusively relate to vessels' depreciation for the period during which we owned them.

Implications of Being an Emerging Growth Company

We are an "emerging growth company" as defined in the Jumpstart Our Business Startups Act, or JOBS Act. An emerging growth company may take advantage of specified reduced public company reporting requirements that are otherwise applicable generally to public companies. These provisions include:

- an exemption from the auditor attestation requirement of management's assessment of the effectiveness of the emerging growth company's internal controls over financial reporting pursuant to Section 404(b) of Sarbanes-Oxley; and

- an exemption from compliance with any new requirements adopted by the Public Company Accounting Oversight Board, or the PCAOB, requiring mandatory audit firm rotation or a supplement to the auditor's report in which the auditor would be required to provide additional information about the audit and financial statements.

We may choose to take advantage of some or all of these reduced reporting requirements until we cease to be an emerging growth company. This will occur on the last day of the fiscal year following the fifth anniversary of the date we first sell our common equity securities pursuant to an effective registration statement under the Securities Act, or, such earlier time that we are no longer an emerging growth company. We will cease to be an emerging growth company if we have more than $1.235 billion in "total annual gross revenues" during our most recently completed fiscal year, if we become a "large accelerated filer" with a public float of more than $700 million, as of the last business day of our most recently completed second fiscal quarter or as of any date on which we have issued more than $1 billion in non-convertible debt over the three-year period prior to such date. For as long as we take advantage of the reduced reporting obligations, the information that we provide shareholders may be different from information provided by other public companies. As of the date of this annual report, we expect that we will cease to be an emerging growth company on December 31, 2023.

In addition, Section 107 of the JOBS Act provides that an emerging growth company can take advantage of the extended transition period for complying with new or revised accounting standards. In other words, an emerging growth company can delay the adoption of certain accounting standards until those standards would otherwise apply to private companies. See "*Item 3. Key Information—D. Risk Factors—Risks Relating to Our Common Shares—We are an 'emerging growth company' and we cannot be certain if the reduced requirements applicable to emerging growth companies will make our securities less attractive to investors.*" We have irrevocably elected to opt out of such extended transition period.

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 equity offerings, borrowings from debt transactions and cash generated from operations. Our liquidity requirements relate to servicing the principal and interest on our debt, funding capital expenditures and working capital (which includes maintaining the quality of our vessels and complying with international shipping standards and environmental laws and regulations) and maintaining cash reserves for the purpose of satisfying certain minimum liquidity restrictions contained in our credit facilities. In accordance with our business strategy, other liquidity needs may relate to funding potential investments in new vessels and maintaining cash reserves against fluctuations in operating cash flows. Our funding and treasury activities are intended to maximize investment returns while maintaining appropriate liquidity.

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For the year ended December 31, 2022, our principal sources of funds were cash from operations, and the net proceeds from the secured debt that we incurred as discussed below under "*—Our Borrowing Activities*". In the past, we have also issued equity as a source of financing, as discussed below under "*—Equity Transactions*". As of December 31, 2022 and December 31, 2021, we had cash and cash equivalents of $142.4 million and $37.2 million (which excludes $9.9 million and $6.2 million of cash restricted in each period, under our debt agreements), respectively. Cash and cash equivalents are primarily held in U.S. dollars.

Working capital is equal to current assets minus current liabilities. As of December 31, 2022, we had a working capital surplus of $114.9 million as compared to a working capital surplus of $21.0 million as of December 31, 2021.

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 fleet, meet our normal working capital requirements and service the principal and interest on our debt for that period.

As noted above, 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 principal repayments), 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 growth 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 and equity issuances. As of December 31, 2022, and the date of this annual report, we did not have any commitments for capital expenditures related to vessel acquisitions.

As of December 31, 2022, we had outstanding commitments to install and put into use BWTS on one of our two Handysize tanker vessels, the *Wonder Formosa*, which was retrofitted in early March 2023, and two of our Aframax/LR2 tanker vessels, which are expected to be retrofitted during 2024. As of the same date, it was estimated that the contractual obligations related to these installations as well as past completed installations on other fleet vessels, excluding installation costs, would be on aggregate approximately €1.4 million (or $1.5 million on the basis of a Euro/US Dollar exchange rate of €1.0000/$1.0649 as of December 31, 2022), of which €0.2 million (or $0.2 million) are due in 2023 and €1.2 million (or $1.3 million) are due in 2024. We expect to finance these capital expenditures with cash on hand. Following the Spin-Off, all tanker business-related BWTS obligations were assumed by Toro.

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(s). Such events could have a material adverse effect on our business, financial condition, and operating results.

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Equity Transactions

On January 27, 2020, we entered into a securities purchase agreement with YAII PN, LTD, pursuant to which we agreed to sell and it agreed to purchase up to three convertible debentures for a maximum aggregate price of $5.0 million, further discussed below under "*—Our Borrowing Activities*." During the period from January 2020 up until June 2020, the Investor had converted in full the $5.0 million principal amount and $0.1 million of interest under the $5.0 Million Convertible Debentures for 804,208 common shares.

On June 23, 2020, we entered into an agreement with Maxim, acting as underwriter, pursuant to which we offered and sold 5,911,000 units, each unit consisting of (i) one common share or a pre-funded warrant to purchase one common share at an exercise price equal to $0.10 per common share (a "Pre-Funded Warrant"), and (ii) one Class A Warrant to purchase one common share (a "Class A Warrant"), for $3.50 per unit (or $3.40 per unit including a Pre-Funded Warrant), (the "2020 June Equity Offering"). The 2020 June Equity Offering closed on June 26, 2020 and resulted in the issuance of 5,908,269 common shares and 5,911,000 Class A Warrants, which also included 771,000 over-allotment units pursuant to an over-allotment option that was exercised by Maxim on June 24, 2020. We raised gross and net cash proceeds from this transaction of $20.7 million and $18.6 million, respectively. Further, as of December 31, 2022, an aggregate of 5,848,656 Class A Warrants have been exercised at an exercise price of $3.50 per warrant, for which we have received total gross proceeds of $20.5 million. On March 7, 2023, in connection with the Spin-Off, the exercise price of the Class A Warrants was reduced to $2.53.

On July 12, 2020, we entered into agreements with certain unaffiliated institutional investors pursuant to which we offered 5,775,000 common shares in a registered offering (the "2020 July Equity Offering"). In a concurrent private placement, we also issued warrants to purchase up to 5,775,000 common shares (the "Private Placement Warrants"). The aggregate purchase price for each common share and Private Placement Warrant was $3.00. In connection with the 2020 July Equity Offering, which closed on July 15, 2020, we received gross and net cash proceeds of $17.3 million and $15.7 million, respectively. Further, as of December 31, 2022, an aggregate of 5,707,136 Private Placement Warrants have been exercised at an exercise price of $3.50 per warrant, for which we have received total gross proceeds of $20.0 million. On March 7, 2023, in connection with the Spin-Off, the exercise price of the Private Placement Warrants was reduced to $2.53.

On December 30, 2020, we entered into agreements with certain unaffiliated institutional investors pursuant to which we offered 9,475,000 common shares and warrants to purchase 9,475,000 common shares (the "January 5 Warrants") in a registered direct offering which closed on January 5, 2021 (the "2021 January First Equity Offering"). The aggregate purchase price for each common share and January 5 Warrant was $1.90. In connection with this offering, we received gross proceeds of approximately $18.0 million and net proceeds of $16.5 million, net of fees and expenses of $1.5 million. By February 10, 2021, all of the January 5 Warrants have been exercised at an exercise price of $1.90 per warrant, for which we have received total gross proceeds of $18.0 million.

On January 8, 2021, we entered into agreements with certain unaffiliated institutional investors pursuant to which we offered 13,700,000 common shares and warrants to purchase 13,700,000 common shares (the "January 12 Warrants") in a registered direct offering which closed on January 12, 2021 (the "2021 January Second Equity Offering"). The aggregate purchase price for each common share and January 12 Warrant was $1.90. In connection with this offering, we received gross proceeds of approximately $26.0 million and net proceeds of approximately $24.1 million, net of fees and expenses of $1.9 million. By February 10, 2021, all of the January 12 Warrants had been exercised at an exercise price of $1.90 per warrant, for which we have received total gross proceeds of $26.0 million.

On April 5, 2021, we entered into agreements with certain unaffiliated institutional investors pursuant to which we offered and sold 19,230,770 common shares and warrants to purchase up to 19,230,770 common shares (the "April 7 Warrants") in a registered direct offering which closed on April 7, 2021 (the "2021 April Equity Offering"). In connection with the 2021 April Equity Offering, we received gross and net cash proceeds of $125.0 million and $116.3 million, respectively. As of December 31, 2022, all April 7 Warrants having an exercise price of $6.50 remained unexercised and potentially issuable into common shares. On March 7, 2023, in connection with the Spin-Off, the exercise price of the April 7 Warrants was reduced to $5.53.

On May 28, 2021, we effected a 1-for-10 reverse stock split of our common shares without any change in the number of our authorized common shares. As a result of the reverse stock split, the number of outstanding shares as of May 28, 2021, was decreased to 89,955,848 while the par value of the Company's common shares remained unchanged at $0.001 per share. All share and per share amounts, as well as warrant shares eligible for purchase under the Company's effective warrant schemes have been retroactively adjusted to reflect the reverse stock split.

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On June 14, 2021, we entered into an equity distribution agreement (the "Equity Distribution Agreement'), which was amended and restated on March 31, 2022 (the "Amended Equity Distribution Agreement'). Under the Amended Equity Distribution Agreement, which expired on June 14, 2022, the Company could, from time to time, offer and sell its common shares through an at-the-market offering (the "ATM Program"), having an aggregate offering price of up to $150.0 million. No warrants, derivatives, or other share classes were associated with this transaction. No sales have been effected under the ATM Program during the year ended December 31, 2022. From the ATM Program effective date and as of December 31, 2022, we had raised gross and net proceeds (after deducting sales commissions and other fees and expenses) of $12.9 million and $12.4 million, respectively, by issuing and selling 4,654,240 common shares.

In connection with the Spin-Off, the exercise price of each of the Class A Warrants, April 7 Warrants and Private Placement Warrants was decreased in accordance with their terms by the fair market value (as determined by our Board of Directors, in good faith) of the Toro common shares upon completion of the Spin-Off.

Our Borrowing Activities

As of December 31, 2022, we had $153.7 million of gross indebtedness outstanding under our debt agreements, comprising of $118.2 million of indebtedness related to our dry bulk segment, $13.2 million of indebtedness related to our Aframax/LR2 segment, and $22.3 million of indebtedness related to our containership segment. Of this total figure, $32.5 million mature in the twelve-month period ending December 31, 2023. Our borrowing commitments, as of December 31, 2022, relating to debt and interest repayments under our credit facilities amounted to $182.1 million, of which approximately $43.2 million mature in less than one year. The calculation of interest payments has been made assuming interest rates based on the LIBOR or SOFR specific to our variable rate credit facilities as of December 31, 2022, and our applicable margin rate.

As of December 31, 2022, we also were in compliance with all the financial and liquidity covenants contained in our debt agreements.

Dry Bulk Segment Credit Facilities

$11.0 Million Term Loan Facility

On November 22, 2019, two of our wholly owned dry bulk vessel ship-owning subsidiaries, Spetses Shipping Co. and Pikachu Shipping Co., entered into our first senior secured term loan facility in the amount of $11.0 million with Alpha Bank S.A. 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 instalments of $400,000 each, plus a balloon instalment of $3.0 million payable at maturity, on December 2, 2024.

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 *Magic Moon* and the *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.

$4.5 Million Term Loan Facility

On January 23, 2020, pursuant to the terms of a credit agreement, our wholly owned dry bulk vessel ship-owning subsidiary, Bistro Maritime Co., entered into a $4.5 million senior secured term loan facility with Chailease International Financial Services Co., Ltd. The facility was drawn down on January 31, 2020, is repayable in twenty (20) equal quarterly installments of $150,000 each, plus a balloon installment of $1.5 million payable at maturity and bears interest at a 4.50% margin over LIBOR per annum.

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The above facility contains a standard security package including a first preferred mortgage on the vessel owned by the borrower (the *Magic Sun*), pledge of bank account, charter assignment, 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 and Pavimar. Pursuant to the terms of this facility, the Company is also subject to a certain minimum liquidity restriction requiring the borrower to maintain a certain cash collateral deposit in an account held by the lender as well as certain negative covenants customary for this type of facility. The credit agreement governing this facility also requires maintenance of a minimum value to loan ratio being the aggregate principal amount of (i) fair market value of the collateral vessel and (ii) the value of any additional security (including the cash collateral deposit referred to above), to the aggregate principal amount of the loan.

$15.29 Million Term Loan Facility

On January 22, 2021, pursuant to the terms of a credit agreement, two of our wholly owned dry bulk vessel ship-owning subsidiaries, Pocahontas Shipping Co. and Jumaru Shipping Co., entered into a $15.29 million senior secured term loan facility with Hamburg Commercial Bank AG. The facility was drawn down in two tranches on January 27, 2021, is repayable in sixteen (16) equal quarterly installments of $471,000 each, plus a balloon installment of $7.8 million payable at maturity and bears interest at a 3.30% margin over LIBOR per annum.

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

$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 instalment and bears interest at a 3.10% margin over LIBOR per annum.

The above facility contains a standard security package including first preferred mortgages on the vessels owned by the borrowers (the *Magic Thunder*, *Magic Nebula*, *Magic Eclipse* and the *Magic Twilight*), 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.

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$23.15 Million Term Loan Facility

On November 22, 2021, pursuant to the terms of a credit agreement, two of our wholly owned dry bulk vessel ship-owning subsidiaries, Bagheera Shipping Co. and Garfield Shipping Co., entered into a $23.15 million senior secured term loan facility with Chailease International Financial Services (Singapore) Pte. Ltd. The loan was drawn down in two tranches on November 24, 2021, both of which mature five years after the drawdown date and are repayable in sixty (60) monthly installments (1 to 18 in the amount of $411,500 and 19 to 59 in the amount of $183,700) and (b) a balloon installment in the amount of $8.2 million payable at maturity simultaneously with the last instalment and bears interest at a 4.00% margin LIBOR over annum.

The above facility contains a standard security package including a first preferred mortgage on the vessels owned by the borrowers (the *Magic Rainbow* and the *Magic Phoenix*), 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 borrowers 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.

$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 instalment 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 *Magic Starlight*, *Magic Mars*, *Magic Pluto*, *Magic Perseus*, and the *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.

Aframax/LR2 Tanker Segment Credit Facilities

$18.0 Million Term Loan Facility

On April 27, 2021, two of our wholly owned tanker vessel ship-owning subsidiaries, Rocket Shipping Co. and Gamora Shipping Co., entered into a $18.0 million senior secured term loan facility with Alpha Bank S.A. The facility was drawn down in two tranches on May 7, 2021. This facility has a term of four years from the drawdown date, bears interest at a 3.20% margin over LIBOR per annum and is repayable in (a) sixteen (16) quarterly instalments (1 to 4 in the amount of $850,000 and 5 to 16 in the amount of $675,000) and (b) a balloon installment in the amount of $6.5 million payable at maturity.

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The above facility is secured by first preferred mortgage and first priority general assignment covering earnings, insurances and requisition compensation over the vessels owned by the borrowers (the *Wonder Sirius* and the *Wonder Polaris*), an earnings account pledge, shares security deed relating to the shares of the vessels' owning subsidiaries, manager's undertakings and guaranteed by Castor. The facility also contained certain customary minimum liquidity restrictions and financial covenants that required the borrowers to (i) maintain a certain amount of a minimum liquidity deposit per collateralized vessel (pledged in favor of the lender during the security period), 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.

In connection with the Spin-Off, the $18.0 Million Term Loan Facility Toro replaced Castor as guarantor under this facility and we ceased to have any obligations under this facility.

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 Financial Services (Singapore) Pte. Ltd. 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 instalments (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 *Ariana A* and the *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.

Cash Flows

The following table summarizes our net cash flows from operating, investing and financing activities for the years ended December 31, 2022, and 2021:

(in U.S Dollars)	For the year ended	
	December 31, 2021	December 31, 2022
Net cash provided by operating activities	60,775,327	123,753,052
Net cash used in investing activities	(348,640,707)	(63,737,095)
Net cash provided by financing activities	321,824,945	48,904,995

Operating Activities: Net cash provided by operating activities amounted to $123.8 million for the year ended December 31, 2022, consisting of net income after non-cash items of $142.7 million, a decrease in working capital of $13.8 million and payments related to dry-docking costs of $5.1 million. Net cash provided by operating activities amounted to $60.8 million for the year ended December 31, 2021, consisting of net income after non-cash items of $65.1 million, payments related to dry-docking costs of $3.7 million, and a decrease in working capital of $0.6 million. The $63.0 million increase, hence, in net cash from operating activities in the year ended December 31, 2022, as compared with the same period of 2021, reflects mainly the increase in net income after non-cash items which was largely driven by the expansion of our business and the improvement of the charter rates earned by the tanker vessels of our fleet.

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Investing Activities: Net cash used in investing activities amounting to $63.7 million for the year ended December 31, 2022, mainly reflects the cash outflows associated with (i) the vessel acquisitions we made during the period, as discussed in more detail under Note 6 to our audited consolidated financial statements included elsewhere in this annual report and (ii) the in progress or completed BWTS installations during 2022 on the *Magic Moon*, *Magic Rainbow*, *Magic Perseus*, *Magic P* and *Wonder Formosa*. Net cash used in investing activities amounting to $348.6 million for the year ended December 31, 2021, mainly reflects the cash outflows associated with (i) the vessel acquisitions we made during the period, as discussed in more detail under Note 6 to our consolidated financial statements included elsewhere in this annual report and (ii) the BWTS installations performed during 2021 on the *Magic Vela* and the *Wonder Mimosa*.

Financing Activities: Net cash provided by financing activities during the year ended December 31, 2022 amounting to $48.9 million, relates to the $76.5 million net proceeds related to the $55.0 Million Term Loan Facility and the $22.5 Million Term Loan Facility (as further discussed above and further under Note 7 to our consolidated financial statements included elsewhere in this report), as mainly offset by $27.5 million of period scheduled principal repayments under our existing secured credit facilities.

Net cash provided by financing activities during the year ended December 31, 2021 amounting to $321.8 million, relates to (i) the net proceeds raised under our registered direct equity offerings amounting to $156.9 million, (ii) the proceeds from the issuance of stock under our warrant schemes amounting to $83.4 million, (iii) the net proceeds from the issuance of stock pursuant to our Second ATM Program amounting to $12.5 million, (iv) the $95.3 million net proceeds related to the $15.29 Million Term Loan Facility, the $18.0 Million Term Loan Facility, the $40.75 Million Term Loan Facility, and the $23.15 Million Term Loan Facility (as further discussed above and further under Note 7 to our consolidated financial statements included elsewhere in this report), as offset by (v) the $14.4 million cash redemption of the Series A Preferred Shares, (vi) $6.9 million of period scheduled principal repayments under our existing secured credit facilities and (vii) the repayment, at its extended maturity, of the $5.0 Million Term Loan Facility.

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. Charter hire rates paid for dry bulk and tanker vessels as well as containerships are primarily a function of the underlying balance between vessel supply and demand. For a discussion regarding the market performance, please see "*Item 5. Operating and Financial Review and Prospects—A. Operating Results—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. Also, the Company's business could be materially and adversely affected by the risks, or the public perception of the risks and travel restrictions related to a resurgence of the COVID-19 pandemic. Furthermore, the Company's business could be adversely affected by the risks related to the conflict in Ukraine and the severe worsening of Russia's relations with Western economies that has created significant uncertainty in global markets, including increased volatility in the prices of certain of the commodities and products which our vessels transport and shifts in the trading patterns for such products which may continue into the future. The Company is unable to reasonably predict the estimated length or severity of any resurgence in the COVID-19 pandemic on future operating results.

Furthermore, many economies worldwide have experienced inflationary pressures during 2022 and as of the date of this annual report. For further information, see *''Item 3. Key Information—D. Risk Factors— The Company is exposed to fluctuating demand and supply for maritime transportation services, as well as fluctuating prices of commodities (such as iron ore, coal, soybeans and aggregates), consumer and industrial products, and oil and petroleum products, and may be affected by a decrease in the demand for such commodities and/or products and the volatility in their prices.''* Such inflationary pressures and disruptions could adversely impact our operating costs and demand and supply for commodities and products we transport. It remains to be seen whether inflationary pressures will continue, and to what degree, as central banks begin to respond to price increases. Interventions in the economy by central banks in response to inflationary pressures may slow down economic activity 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.

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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 (*"Summary of Significant Accounting Policies"*) to our consolidated financial statements included elsewhere in this annual report.

Vessel Impairment

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

The carrying values of our vessels may not represent their fair market value at any point in time since the market prices of second-hand vessels tend to fluctuate with changes in charter rates and the cost of newbuilds. Historically, both charter rates and vessel values tend to be cyclical.

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

The table below specifies in "*" that the carrying value of those four of our vessels that, as of December 31, 2022, had a charter-free market value below their carrying value. As of December 31, 2022, the aggregate carrying value of these four vessels was $20.4 million more than their fair market value, based on broker quotes. This aggregate difference represents the approximate analysis of the amount by which we believe we would have to reduce our net income if we sold all of such vessels in the current environment, on industry standard terms, in cash transactions, to a willing buyer in circumstances where we are not under any compulsion to sell, and where the buyer is not under any compulsion to buy. For purposes of this calculation, we have assumed that the vessels would be sold at a price that reflects our estimate of their current basic market values. As of December 31, 2021, the charter-free market value of all our vessels exceeded their carrying value, thus, no undiscounted cash flow tests were deemed necessary to be performed for any of our vessels.

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Vessels	Date acquired	Carrying value as of December 31, 2022 (in millions of United States dollars)
M/V Magic P	02/21/2017	$ 6.6
M/V Magic Sun	09/05/2019	$ 5.9
M/V Magic Moon	10/20/2019	$ 9.0
M/V Magic Rainbow	08/08/2020	$ 8.3
M/V Magic Horizon	10/09/2020	$ 11.6
M/V Magic Nova	10/15/2020	$ 12.4
M/V Magic Venus	03/02/2021	$ 14.7
M/T Wonder Polaris	03/11/2021	$ 12.4
M/V Magic Orion	03/17/2021	$ 16.3
M/V Magic Argo	03/18/2021	$ 13.3
M/T Wonder Sirius	03/22/2021	$ 12.4
M/V Magic Twilight	04/09/2021	$ 13.8
M/V Magic Thunder	04/13/2021	$ 15.7
M/V Magic Vela	05/12/2021	$ 14.1
M/V Magic Nebula	05/20/2021	$ 14.6
M/T Wonder Vega	05/21/2021	$ 13.4
M/V Magic Starlight	05/23/2021	$ 22.0
M/T Wonder Avior	05/27/2021	$ 10.9
M/T Wonder Mimosa	05/31/2021	$ 8.0
M/V Magic Eclipse	06/07/2021	$ 17.2
M/T Wonder Musica	06/15/2021	$ 10.8
M/T Wonder Formosa	06/22/2021	$ 7.7
M/V Magic Pluto	08/06/2021	$ 20.3
M/V Magic Perseus	08/09/2021	$ 20.6
M/V Magic Mars	09/20/2021	$ 19.6
M/V Magic Phoenix	10/26/2021	$ 17.6*
M/T Wonder Bellatrix	12/23/2021	$ 16.9
M/V Magic Callisto	01/04/2022	$ 22.4*
M/V Ariana A	11/23/2022	$ 23.9*
M/V Gabriela A	11/30/2022	$ 23.5*
Total		**$ 435.9**

* Indicates vessels for which we believe that, as of December 31, 2022, their carrying value, including, where applicable, the value of related intangible assets, exceeded their charter-free market value. As discussed below, we believe that the carrying values of these vessels as of December 31, 2022, were recoverable as the undiscounted projected net operating cash flows of these vessels exceeded their carrying values including, where applicable, the value of related intangible assets.

As of December 31, 2022, for the above indicated vessels, we performed an impairment analysis, in which we made estimates and assumptions relating to determining the projected undiscounted net operating cash flows by considering the following:

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

The net operating undiscounted cash flows are then compared with the vessels' net book value plus estimated unamortized dry-docking costs and the unamortized portion of any intangible asset and/or liability. The difference, if any, between the carrying amount of the vessel plus unamortized dry-docking costs and the unamortized portion of any intangible asset and/or liability and their fair value is recognized in the Company's accounts as impairment loss.

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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;
- 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; and
- 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, 2022, we would begin recording impairment loss on the first vessel, if time charter declines by 4% from their ten-year historical averages.

Based on the above assumptions we determined that the undiscounted cash flows supported the above vessels' carrying amounts as of December 31, 2022.

ITEM 6. DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

A. DIRECTORS AND SENIOR MANAGEMENT

Set forth below are the names, ages and positions of our directors and executive officer. Our Board currently consists of three directors who are elected annually on a staggered basis. Each director holds office for a three-year term. 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	32	Chairman, Chief Executive Officer, Chief Financial Officer, President, Treasurer and Class C Director
Dionysios Makris	42	Secretary and Class B Director
Georgios Daskalakis	33	Class A Director

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

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

Petros Panagiotidis, is the founder of Castor Maritime Inc. He has been serving as the Company's Chairman of the Board, Chief Executive Officer and Chief Financial Officer since our inception in 2017 and, upon completion of the Spin-Off, will serve as the Chairman and Chief Executive Officer of Toro Corp. During his years with Castor Maritime he has been actively engaged in the successful listing of the Company on the Nasdaq Capital Market in February 2019. He is responsible for the implementation of our business strategy and the overall management of our affairs. Prior to founding Castor Maritime, Mr. Panagiotidis gained extensive experience working in shipping and investment banking positions focused on operations, corporate finance and business management. He 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.

Dionysios Makris, Secretary and Class B Director

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

Georgios Daskalakis, Class A Director

Georgios Daskalakis has been a non-executive member of our Board since our establishment in September 2017 and he is currently the chairman of our Audit Committee. Mr. Daskalakis has been employed since 2017 by M/Maritime Corp., a shipmanagement company, holding a number of senior positions. As of today, he is the Chief Commercial Officer and Chairman of the Board of Directors at M/Maritime. Prior to that he was employed in various roles in the shipping industry with Minerva Marine Inc, a major Greece based diversified shipping entity and Trafigura Maritime Logistics PTE Ltd. He holds a Bachelor's degree from Babson College with a concentration on Economics and Finance followed by a Master of Science degree in Shipping, Trade and Finance from the Costas Grammenos Centre for Shipping, Trade and Finance, Cass Business School, City University of London.

B. COMPENSATION

The services rendered by our Chairman, Chief Executive Officer and Chief Financial Officer for the year ended December 31, 2022, are included in our amended master 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, 2022, we paid our non-executive directors fees in the aggregate amount of $72,000 per annum, or $36,000 per director per annum, plus reimbursement for their out-of-pocket expenses. Our Chief Executive Officer and Chief Financial Officer who also serves as our director does not receive additional compensation for his service as director.

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C. BOARD PRACTICES

Our Board currently consists of three directors Who are elected annually on a staggered basis. Each director elected holds office for a three-year term or 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 December 15, 2022, our shareholders re-elected our Class B director to serve until the annual meeting of shareholders to be held in 2025. The term of office of our Class C director expires at the annual meeting of shareholders to be held in 2023, and the term of office of our Class A director expires at the annual meeting of shareholders to be held in 2024. 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 comprised of our independent directors, Mr. Dionysios Makris and Mr. Georgios Daskalakis. Our Board has determined that the members of the audit committee meet the applicable independence requirements of the Commission and the Nasdaq Stock Market Rules. Our Board has determined that Mr. Georgios Daskalakis is an "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 the date of this annual report, Mr. Petros Panagiotidis, holding the positions of Chairman, Chief Executive Officer and Chief Financial Officer, is our only employee.

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 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 is based on 94,610,088 common shares outstanding as of March 6, 2023.

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

[1] Neither any member of our Board of Directors or executive officer individually, nor all of them taken as a group, holds more than 1% of our outstanding common shares.

[2] Petros Panagiotidis holds 112,409 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 one hundred thousand (100,000) common shares). 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.

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All of our common shareholders are entitled to one vote for each common share held. As of March 7, 2023, there were six holders of record of our common shares, five of which have a U.S. mailing address, and who are expected to receive our common shares in the Distribution. One of these holders is CEDE & Co., a nominee company for The Depository Trust Company, which held approximately 99.85% of Castor's outstanding common shares as of such date. The beneficial owners of the common shares held by CEDE & Co. may include persons who reside outside the United States.

B. RELATED PARTY TRANSACTIONS

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

Management, Commercial and Administrative Services

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

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In exchange for the services provided by Castor Ships, we and our vessel owning subsidiaries, pay Castor Ships (i) a flat quarterly management fee in the amount of $0.75 million for the management and administration of their business (the "Flat Management Fee"), (ii) a commission of 1.25% on all gross income received from the operation of their vessels, and (iii) a commission of 1% on each consummated sale and purchase transaction. In addition, each of the Company's vessel owning subsidiaries pay Castor Ships a daily management fee of $925 per dry bulk vessel and containership, and, until the completion of the Spin-Off, $975 per tanker vessel (collectively, the "Ship Management Fees") for the provision of the ship management services provided in the Ship Management Agreements. Pavimar is paid directly by the dry bulk vessel owning subsidiaries its previously agreed proportionate daily management fee of $600 per vessel and Castor Ships is paid the residual amount of $325 of the agreed daily ship management fee. The Ship Management Fees and Flat Management Fee will be adjusted annually for inflation on each anniversary of the Amended and Restated Master Management Agreement's effective date. The Company also reimburses Castor Ships for extraordinary fees and costs, such as the costs of extraordinary repairs, maintenance or structural changes to the Company's vessels.

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

Castor Ships may choose to subcontract some of these services to other parties at its discretion. As of December 31, 2022, in accordance with the provisions of the Amended Castor Ship Management Agreements, Castor Ships had subcontracted to two third-party ship management companies the technical management of all the Company's tanker vessels, had subcontracted to Pavimar the technical management of the Company's containerships and was co-managing with Pavimar the Company's all dry bulk vessels. In later January 2023, Castor Ships transferred the technical management of our containership vessels from Pavimar to a third-party ship management company. Castor Ships pays, at its own expense, the containerships third-party technical management companies a fee for the services it has subcontracted to them, without any additional cost to the Company.

Prior to June 30, 2022, Pavimar provided, on an exclusive basis, our dry-bulk vessel owning subsidiaries with a wide range of shipping services, including crew management, technical management, operational management, insurance management, provisioning, bunkering, vessel accounting and audit support services, which it could choose to subcontract to other parties at its discretion. During the six-month period ended June 30, 2022, Pavimar provided the services stipulated in the technical management agreements in exchange for a daily management fee of $600 per vessel. Effective July 1, 2022, the technical management agreements entered between Pavimar and our tanker vessel owning subsidiaries were terminated by mutual consent. In connection with such termination, Pavimar and the tanker vessel owning subsidiaries agreed to mutually discharge and release each other from any past and future liabilities arising from the respective agreements. Further, with effect from July 1, 2022, pursuant to the terms of the Amended and Restated Master Management Agreement, Pavimar, continues to provide, as co-manager with Castor Ships, the dry-bulk vessel owning subsidiaries with the same range of technical management services it provided prior to our entry into the Amended and Restated Management Agreement, in exchange for the previously agreed daily management fee of $600 per vessel.

The V8 Plus Pool

In the period between September 30, 2022, and December 12, 2022, the *M/T Wonder Polaris, M/T Wonder Sirius, M/T Wonder Bellatrix, M/T Wonder Musica*, *M/T Wonder Avior and M/T Wonder Vega*, entered into a series of separate agreements with V8, a member of the Navig8 Group of companies, for the participation of the vessels in the V8 Plus Pool. In February 2023, the agreement relating to the *M/T Wonder Sirius*'s participation in the V8 Plus Pool was terminated and the vessel commenced a period time charter. The V8 Plus Pool is managed by V8 Plus Management Pte Ltd., a company in which Petros Panagiotidis has a minority equity interest. The following description of such agreements' terms does not purport to be complete and is subject to, and qualified in its entirety by reference to the Form of Pooling Agreement, which is included as an exhibit to this annual report and incorporated by reference into this annual report on Form 20-F.

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During the period between the vessels' entry into the V8 Plus Pool and completion of the Spin-Off, each vessel was provided with certain commercial management services and entered into charters by the pool manager. In return for such services, the pool manager was entitled to a $250 daily fee and customary 2% commission on all income received under charters and contracts of affreightment. The relevant ship owning subsidiary received its proportional share of pool revenues, subject to adjustments for expenses, among other factors. Each relevant ship owning subsidiary was entitled to elect one voting representative to the pool's committee, which approves (i) the basis for calculating pool costs and (ii) requirements under which pool participants may be required to make additional contributions to the pool's working capital. Under the terms of the respective agreements, the vessels shall participate in the V8 Plus Pool for a minimum period of six months, subject to certain rights of suspension and/or early termination. The agreement was negotiated and approved by the Special Committee.

For further information, please refer to Note 3 to our audited consolidated financial statements included elsewhere in this annual report.

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, Chief Financial Officer and controlling shareholder and his affiliates, such as Castor Ships, are not required to offer or inform us of any such opportunity. This does not preclude us, however, from pursuing opportunities outside of the dry bulk shipping business if in the future our Board determines to do so. For example, we entered the containership shipping industry in the fourth quarter of 2022 with the purchase of two containership vessels. Nevertheless, focusing our efforts on dry bulk shipping 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 Castor's board determines to do so.

Mr. Panagiotidis will devote such portion of his business time and attention to our business as is appropriate and will also 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 all issued and outstanding common shares of Toro, 140,000 Series A Preferred Shares of Toro 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.

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Under the Contribution and Spin-Off Distribution Agreement, we distributed on March 7, 2023, all of Toro's 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 stockholders 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 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 Series A Preferred Shares on which Castor owns no Registrable Securities or (ii) if earlier, the date on which we own no 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 master management agreement among the Company and Castor Ships that is currently in effect and entered into a master management agreement with Toro and Castor Ships, with substantial similar terms to the Amended and Restated Master Management Agreement described above. 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 agreed to reimburse us for transaction expenses incurred in connection with its separation from us, such as advisor and filing fees.

Vessel Acquisitions

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

C. **Interests of Experts and Counsel**

Not applicable.

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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, those claims, even if lacking merit, could result in the expenditure of significant financial and managerial resources.

Dividend Policy

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). 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 Our Board may never declare dividends.*"In the event that we declare a dividend of the stock of a subsidiary which we control, the holder(s) of our Series B preferred shares are entitled to receive preferred shares of such subsidiary. Such preferred shares will have at least substantially identical rights and preferences to our Series B Preferred Shares and will be issued *pro rata* to holder(s) of the Series B Preferred Shares. The Series B Preferred Shares have no other dividend or distribution rights. See "*Item 10. Additional Information—B. Memorandum and Articles of Association*" for more detailed descriptions of the Series B preferred shares.

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

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

We have not paid any dividends to our shareholders as of the date of this annual report, excluding the distribution of Toro shares to common shareholder of Castor.

B. SIGNIFICANT CHANGES

On February 13, 2023, in connection with the Spin-Off, we announced March 7, 2023 as the date for the Distribution and, which was completed on such date. For further details on the Spin-Off, see "*Item 3. Key Information*", "*Item 4. Information on the Company A. History and Development of the Company*" and "*Item 7. Major Shareholders and Related Party Transactions Related Party Transactions*".

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ITEM 9. THE OFFER AND LISTING

A. OFFER AND LISTING DETAILS

Our common shares 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 the 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. Our amended and restated Articles of Incorporation and Bylaws do not impose any limitations on the ownership rights of our 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 94,610,088 common shares were issued and outstanding as of March 6, 2023, and 50,000,000 preferred shares, par value $0.001 per share, of which 12,000 Series B Preferred Shares are currently issued and outstanding.

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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 A Preferred Shares

On December 8, 2021, pursuant to a decision approved by our Board of Directors on November 8, 2021, we redeemed all of the issued and outstanding Series A preferred shares. Based on the amended and restated statement of designations of Castor dated October 10, 2019, the holders of the Series A preferred shares received a cash redemption of $30.00 per Series A Preferred Share. For further information on the Series A Preferred Shares and their redemption, see Note 8 (*"(b) Preferred Shares Series A Preferred Shares amendment and accumulated dividends settlement"*) to our consolidated financial statements included elsewhere in this annual report.

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 controlled by 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:[1]

- ***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.

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- ***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.

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, 2021, 94,610,088 Rights were issued and outstanding in connection with our common shares.

Description of the Class A Warrants

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

Exercise Price. The exercise price per whole common share purchasable upon exercise of the Class A Warrants is $3.50 per share. The exercise price and number of common shares issuable upon exercise will adjust in the event of certain stock dividends and distributions, stock splits (including the reverse stock split we effected on May 28, 2021), stock combinations, reclassifications or similar events affecting our common shares. The Class A Warrants may be exercised at any time until they are exercised in full. 5,848,656 of the Class A Warrants were exercised in full prior to the date of this annual report, resulting in the issuance of an aggregate of 5,848,656 common shares for an aggregate exercise price of approximately $20.5 million. As of the date of this annual report, 62,344 Class A Warrants remain outstanding.

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

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

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

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

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

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

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

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

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

Description of the Private Placement Warrants

Each Private Placement Warrant is exercisable at any time after its issuance for $3.50 per common share and has a term of 5 years. The Private Placement Warrants have substantially the same terms as the Class A Warrants described above, except that they are subject to certain restrictions on transfer. Prior to the date of this annual report, 5,707,136 of the Private Placement Warrants were exercised in full, resulting in the issuance of an aggregate of 5,707,136 common shares for an aggregate exercise price of approximately $20.0 million. As of the date of this annual report, 67,864 Private Placement Warrants remain outstanding.

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Description of the January 5 and January 12 Warrants

Each January 5 Warrant and January 12 Warrant was exercisable for $1.90 per common share over an initial term of 5 years, on substantially the same terms as the Class A Warrants described above. All of the January 5 and January 12 Warrants were exercised in full prior to the date of this annual report, resulting in the issuance of an aggregate of 23,175,000 common shares for an aggregate exercise price of approximately $44.0 million.

Description of the April 7 Warrants

Each April 7 Warrant is exercisable for $6.50 per common share and for a term of 5 years, on substantially the same terms as the Class A Warrants described above. As of the date of this annual report, all 19,230,770 April 7 Warrants remain outstanding.

Adjustments to the Warrants in Connection with the Spin-Off

In accordance with their terms, the exercise price of each of the Class A Warrants, April 7 Warrants and Private Placement Warrants was decreased by the fair market value (as determined by our Board of Directors, in good faith) of the Toro common shares upon completion of the Spin-Off. For further details on the foregoing warrants, see Note 8 to our consolidated financial statements included elsewhere in this annual report.

Listing and Markets

On December 21, 2018, our common shares, par value $0.001, were registered for trading on the NOTC with ticker symbol “CASTOR”. On February 11, 2019, our common shares began trading on the NASDAQ Capital Market under the ticker symbol “CTRM”. On March 21, 2019, Nasdaq approved for listing and registration on Nasdaq the Preferred Stock Purchase Rights under the Stockholders Rights Agreement. The Preferred Stock Purchase Rights trade with and are inseparable from our common shares.

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, which are also attached as exhibits to this annual report.

D. EXCHANGE CONTROLS

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

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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.

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

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(2) either:

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

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

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

Due to the widely dispersed nature of the ownership of our common shares, it is highly unlikely that we could satisfy the requirements of the 50% Ownership Test. Therefore, we expect to be exempt from the 4% tax on our USSGTI only if we are able to 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 US or in a qualified foreign country". To be "primarily traded" on an established securities market, the number of shares of each class of our stock that are traded during any taxable year on all established securities markets in the country where they are listed must exceed the number of shares in each such class that are traded during that year on established securities markets in any other country. Our common shares, which are traded on the Nasdaq Capital Market, meet the test of being "primarily traded".

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

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

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

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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 intend to have or permit circumstances that would result in 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 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.

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

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

Distributions

Subject to the discussion of passive foreign investment companies, or PFIC, 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 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. Individual Holder will generally be treated as ordinary income. However, if you are a U.S. Individual 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. Individual 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. 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

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

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at least 50% of the average value of the assets held by the corporation during such taxable year produce, or are held for the production of, passive income.

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

In general, income derived from the bareboat charter of a vessel will be treated as "passive income" for purposes of determining whether we are a PFIC and such vessel will be treated as an asset which produces or is held for the production of "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 passive foreign investment company, the gross income we derive or are deemed to derive from the time chartering and voyage chartering activities of our wholly-owned subsidiaries should constitute services income, rather than rental income. Correspondingly, such income should not constitute passive income, and the assets that we or our wholly-owned subsidiaries own and operate in connection with the production of such income, in particular, the vessels, should not constitute passive assets for purposes of determining whether we were a passive foreign investment company. 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 passive foreign investment companies, the IRS or a court could disagree with our position. In addition, although we intend to conduct our affairs in a manner to avoid being classified as a passive foreign investment company with respect to any taxable year, we cannot assure you that the nature of our operations will not change in the future.

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

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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 in excess of 125% of the average annual distributions received by the Non-Electing Holder in the three preceding taxable years, or, if shorter, the Non-Electing Holder's holding period for the common shares), and (2) any gain realized on the sale, exchange, redemption or other disposition of the common shares.

Under the Default PFIC Regime:

the excess distribution or gain would be allocated ratably over the Non-Electing Holder's aggregate holding period for the common shares;

the amount allocated to the current taxable year and any taxable year before we became a PFIC would be taxed as ordinary income; and

the amount allocated to each of the other taxable years would be subject to tax at the highest rate of tax in effect for the applicable class of taxpayer for that year, and an interest charge for the deemed tax deferral benefit would be imposed with respect to the resulting tax attributable to each such other taxable year.

Any distributions other than "excess distributions" by us to a Non-Electing Holder will be treated as discussed above under "*Taxation—U.S. Federal Income Taxation of U.S. Holders—Distributions*".

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

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.

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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.

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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 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.

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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 or our debt contains floating interest rates that fluctuate with changes in the financial markets and in particular changes in LIBOR and SOFR, which are the relevant reference under our credit facilities. Increasing interest rates could increase our interest expense and adversely impact our future results of operations. As of December 31, 2022, our net effective exposure to floating interest rate fluctuations on our outstanding debt was $153.7 million. Our interest expense is affected by changes in the general level of interest rates, particularly LIBOR and SOFR. As an indication of the extent of our sensitivity to interest rate changes, an increase in LIBOR and/or SOFR of 1% would have decreased our net income in the years ended December 31, 2021 and 2022 by $0.6 million and $1.5 million, respectively, based upon our floating interest-bearing average debt level during 2022. 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, including those using alternative reference rates such as SOFR. At this time, we have two credit facilities that use SOFR as the relevant reference rate and therefore do not currently view changes to SOFR as having a material effect on our business. For further information on the risks associated with interest rates, please see *"Item 3. Key Information—D. Risk Factors— Most of our outstanding debt is exposed to Interbank Offered Rate ("LIBOR") and Secured Overnight Financing Rate ("SOFR") Risk. If volatility in LIBOR and/or 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."* for a discussion on the risks associated with LIBOR and SOFR, among others.

Foreign Currency Exchange Rate Risk

We generate all of our revenue in U.S. dollars. A minority of our vessels' operating expenses (approximately 10.6% for the year ended December 31, 2022) and of our general and administrative expenses (approximately 9.9%) are in currencies other than the U.S. dollar, primarily the Euro and Japanese Yen. For accounting purposes, expenses incurred in other currencies are converted into U.S. dollars at the exchange rate prevailing on the date of each transaction. We do not consider the risk from exchange rate fluctuations to be material for our results of operations because as of December 31, 2022, these non-US dollar expenses represented 2.8% of our revenues. However, the portion of our business conducted in other currencies could increase in the future, which could increase our exposure to losses arising from exchange rate fluctuations.

Inflation Risk

Inflation has not had a material effect on our expenses in the preceding fiscal year. 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.

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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 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 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, 2022, 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, our management concluded that, as of December 31, 2022, our disclosure controls and procedures which include, without limitation, controls and procedures designed to ensure that information required to be disclosed by us in the reports we file or submit under the Exchange Act is accumulated and communicated to management, as appropriate to allow timely decisions regarding required disclosure, were effective in providing reasonable assurance that information that was required to be disclosed by us in reports we file or submit under the Exchange Act was recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC.

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

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

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

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

Our management conducted an evaluation of the effectiveness of our internal control over financial reporting based upon the 2013 framework in Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this evaluation, our management believes that our internal control over financial reporting was effective as of December 31, 2022.

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

C. ATTESTATION REPORT OF THE REGISTERED PUBLIC ACCOUNTING FIRM

This annual report does not include an attestation report of the Company's registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation by the Company's registered public accounting firm, since, as an "emerging growth company", we are exempt from having our independent auditor assess our internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act.

D. CHANGES IN INTERNAL CONTROL OVER FINANCIAL REPORTING

There have been no changes in internal control over financial reporting that occurred during the period covered by this annual report that have materially affected or are reasonably likely to materially affect the Company's internal control over financial reporting.

ITEM 16. RESERVED

ITEM 16A. AUDIT COMMITTEE FINANCIAL EXPERT

The Board has determined that Mr. Georgios Daskalakis, who serves as Chairman of the Audit Committee, qualifies as an "audit committee financial expert" under SEC rules, and that Mr. Daskalakis is "independent" under applicable Nasdaq rules and SEC standards.

ITEM 16B. CODE OF ETHICS

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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). 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, 2022, 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, 2021, and 2022 represent fees billed by our principal accounting firm, Deloitte Certified Public Accountants S.A., an independent registered public accounting firm and member of Deloitte Touche Tohmatsu, Limited. Audit fees represent compensation for professional services rendered for the audit of the consolidated financial statements of the Company and for the review of the quarterly financial information as well as in connection with the review of registration statements and related consents and comfort letters and any other audit services required for SEC or other regulatory filings. In addition, represent compensation for professional services rendered for the audit of the Predecessor Toro Corp. financial statements for the period ended December 31, 2021 and for the review of the financial information for the six and nine months ended June 30 and September 30, 2022, as well as in connection with (i) the issuance of related consents and (ii) the review of the Company's registration statement and any other audit services required for SEC or other regulatory filings. No other non-audit, tax or other fees were charged.

	For the year ended	
In U.S. dollars	**December 31, 2021**	**December 31, 2022**
Audit Fees	$ 367,000	$ 482,000

Audit-Related Fees

Not applicable.

Tax Fees

Not applicable.

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.

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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 of two independent members of our Board, Mr. Georgios Daskalakis 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

Not applicable.

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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-38 filed as part of this annual report.

ITEM 19. EXHIBITS

1.1	Articles of Incorporation of the Company incorporated by reference to Exhibit 3.1 to the Company's registration statement on Form F-4 filed with the SEC on April 11, 2018.
1.2	Articles of Amendment to the Articles of Incorporation of the Company, as amended, filed with the Registry of the Marshall Islands on May 27, 2021 incorporated by reference to Exhibit 99.1 to Amendment No. 2 to Form 8-A filed with the SEC on May 28, 2021.
1.3	Bylaws of the Company incorporated by reference to Exhibit 3.2 to the Company's registration statement on Form F-4 filed with the SEC on April 11, 2018.
2.1	Form of Common Share Certificate incorporated by reference to Exhibit 99.2 of Amendment No. 2 to Form 8-A filed with the SEC on May 28, 2021.
2.2	Description of Securities Registered Pursuant to Section 12 of the Securities Exchange Act of 1934.
2.3	Form of Class A warrant incorporated by reference to Exhibit 4.8 of Amendment No. 2 to the Company's registration statement on Form F-1 filed with the SEC on June 23, 2020.
2.4	Form of Pre-Funded warrant incorporated by reference to Exhibit 4.9 of Amendment No. 2 to the Company's registration statement on Form F-1 filed with the SEC on June 23, 2020.
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.
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	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.
4.5	$11.0 Million Secured Term Loan Facility, dated November 22, 2019, by and among Alpha Bank S,A., as lender, and Pikachu Shipping Co. and Spetses Shipping Co., as borrowers, incorporated by reference to Exhibit 4.9 of the Company's transition report on Form 20-F filed with the SEC on December 16, 2019.

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4.6	$4.5 Million Secured Loan Agreement, dated January 23, 2020, by and among Chailease International Financial Services Co., Ltd., as lender, Bistro Maritime Co., as borrower, and the Company and Pavimar S.A., as guarantors, incorporated by reference to Exhibit 10.1 of the Company's report on Form 6-K furnished with the SEC on February 4, 2020.
4.7	$15.29 Million Term Loan Facility, dated January 22, 2021, by and among Hamburg Commercial Bank AG and the banks and financial institutions listed in Schedule 1 thereto, as lenders, and Pocahontas Shipping Co. and Jumaru Shipping Co., as borrowers, incorporated by reference to Exhibit 4.15 of the Company's annual report on Form 20-F filed with the SEC on March 3, 2021.
4.8	$40.75 Million Term Loan Facility, dated July 23, 2021, by and among Hamburg Commercial Bank AG and the banks and financial institutions listed in Schedule 1 thereto, and Liono Shipping Co., Snoopy Shipping Co., Cinderella Shipping Co., and Luffy Shipping Co., as borrowers, incorporated by reference to Exhibit 4.18 of the Company's annual report on Form 20-F filed with the SEC on March 31, 2022.
4.9	$23.15 Million Term Loan Facility, dated November 22, 2021, by and among Chailease International Financial Services Co., Ltd., as lender, and Bagheera Shipping Co. and Garfield Shipping Co., as borrowers, incorporated by reference to Exhibit 4.19 of the Company's annual report on Form 20-F filed with the SEC on March 31, 2022.
4.10	$55.0 Million Term Loan Facility, dated January 12, 2022, by and among Deutsche Bank AG, as lender, and Mulan Shipping Co., Johnny Bravo Shipping Co., Songoku Shipping Co., Asterix Shipping Co. and Stewie Shipping Co., as borrowers, incorporated by reference to Exhibit 4.20 of the Company's annual report on Form 20-F filed with the SEC on March 31, 2022.
4.11	$22.5 Million Term Loan Facility, dated November 22, 2022, by and among Chailease International Financial Services Co., Ltd., as lender, Jerry Shipping Co. and Tom Shipping Co., as borrowers and Castor Maritime, as guarantor.
4.12	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 with the SEC on June 29, 2020.
4.13	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 with the SEC on July 15, 2020.
4.14	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 with the SEC on April 7, 2021.
4.15	Master Management Agreement, dated September 1, 2020, by and among the Company, its shipowning subsidiaries and Castor Ships S.A., incorporated by reference to Exhibit 99.3 of the Company's report on Form 6-K furnished with the SEC on September 11, 2020.
4.16	Amended and Restated Master Management Agreement, dated July 28, 2022, by and among Castor Maritime Inc., its shipowning subsidiaries and Castor Ships S.A..
4.17	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..

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4.18	Contribution and Spin Off Distribution Agreement entered into by and between Castor Maritime Inc. and Toro Corp., dated March 7, 2023.
8.1	List of Subsidiaries.
12.1	Rule 13a-14(a)/15d-14(a) Certification of the Chief Executive Officer and Chief Financial Officer.
13.1	Certification of the Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
15.1	Consent of Independent Registered Public Accounting Firm.
101.INS	Inline XBRL Instance Document
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Schema Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Schema Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Schema Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Schema Presentation Linkbase Document
104	Cover Page Interactive Data File (Inline XBRL)

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

March 8, 2023

Name: Petros Panagiotidis
Title: Chairman, Chief Executive Officer and
Chief Financial Officer

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INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

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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, 2021 and 2022, the related consolidated statements of comprehensive (loss)/income, shareholders' equity, and cash flows, for each of the three years in the period ended December 31, 2022, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2021 and 2022, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2022, in conformity with accounting principles generally accepted in the United States of America.

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 provide a reasonable basis for our opinion.

/s/ Deloitte Certified Public Accountants S.A.
Athens, Greece
March 8, 2023
We have served as the Company’s auditor since 2017.

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CASTOR MARITIME INC.
CONSOLIDATED BALANCE SHEETS
December 31, 2021 and 2022
(Expressed in U.S. Dollars – except for share data)

ASSETS		**December 31,**	**December 31,**
CURRENT ASSETS:	**Note**	**2021**	**2022**
Cash and cash equivalents		$ 37,173,736	$ 142,373,151
Restricted Cash	7	2,382,732	1,684,269
Accounts receivable trade, net		8,224,357	13,322,984
Due from related parties	3	—	2,995,682
Inventories		4,436,879	2,833,258
Prepaid expenses and other assets		2,591,150	2,980,784
Deferred charges, net	12	191,234	51,138
Total current assets		**55,000,088**	**166,241,266**
NON-CURRENT ASSETS:			
Vessels, net	3, 6	393,965,929	435,894,644
Advances for vessel acquisition	6	2,368,165	—
Restricted cash	7	3,830,000	8,250,000
Due from related parties	3	810,437	5,222,572
Prepaid expenses and other assets		2,075,999	6,825,999
Deferred charges, net	4	4,862,824	7,978,961
Fair value of acquired time charters	5	—	2,507,506
Total non-current assets		**407,913,354**	**466,679,682**
Total assets		**$ 462,913,442**	**$ 632,920,948**
LIABILITIES AND SHAREHOLDERS' EQUITY			
CURRENT LIABILITIES:			
Current portion of long-term debt, net	7	16,091,723	31,777,117
Accounts payable		5,042,575	9,237,447
Due to related parties	3	4,507,569	—
Deferred revenue		3,927,833	2,583,880
Accrued liabilities		4,459,696	7,763,325
Total current liabilities		**34,029,396**	**51,361,769**
NON-CURRENT LIABILITIES:			
Long-term debt, net	7	85,949,676	120,064,119
Total non-current liabilities		**85,949,676**	**120,064,119**
Commitments and contingencies	10		
SHAREHOLDERS' EQUITY:			
Common shares, $0.001 par value; 1,950,000,000 shares authorized; 94,610,088 issued and outstanding as of December 31,2021, and December 31, 2022	8	94,610	94,610
Preferred shares, $0.001 par value: 50,000,000 shares authorized; Series B Preferred Shares – 12,000 shares issued and outstanding as of December 31, 2021, and December 31, 2022	8	12	12
Additional paid-in capital		303,658,153	303,658,153
Retained earnings		39,181,595	157,742,285
Total shareholders' equity		**342,934,370**	**461,495,060**
Total liabilities and shareholders' equity		**$ 462,913,442**	**$ 632,920,948**

The accompanying notes are an integral part of these consolidated financial statements.

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CASTOR MARITIME INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE (LOSS)/INCOME
For the years ended December 31, 2020, 2021 and 2022
(Expressed in U.S. Dollars – except for share data)

	Note	Year Ended December 31, 2020	Year Ended December 31, 2021	Year Ended December 31, 2022
REVENUES:				
Time charter revenues	5,12	12,487,692	111,900,699	163,872,159
Voyage charter revenues	12	—	15,002,012	51,805,097
Pool revenues	12	$ —	$ 5,146,999	$ 46,424,742
Total vessel revenues		**12,487,692**	**132,049,710**	**262,101,998**
EXPENSES:				
Voyage expenses (including $29,769, $1,671,145 and $3,381,564 to related party for the years ended December 31, 2020, 2021 and 2022, respectively)	3,13	(584,705)	(12,950,783)	(33,040,690)
Vessel operating expenses	13	(7,447,439)	(39,203,471)	(62,967,844)
Management fees to related parties	3	(930,500)	(6,744,750)	(9,395,900)
Depreciation and amortization	4,6	(1,904,963)	(14,362,828)	(25,829,713)
Provision for doubtful accounts	2	(37,103)	(2,483)	(266,732)
General and administrative expenses (including $400,000, $1,200,000, and $2,100,000 to related party for the years ended December 31, 2020, 2021 and 2022, respectively)	14	(1,130,953)	(3,266,310)	(7,043,937)
Gain on sale of vessel	6	—	—	3,222,631
Total expenses		**(12,035,663)**	**(76,530,625)**	**(135,322,185)**
Operating income		**452,029**	**55,519,085**	**126,779,813**
OTHER INCOME/ (EXPENSES):				
Interest and finance costs (including $305,000, $204,167 and $0 to related party for the years ended December 31, 2020, 2021 and 2022, respectively)	3,7,15	(2,189,577)	(2,854,998)	(8,584,054)
Interest income		34,976	75,123	1,558,103
Foreign exchange (losses)/ gains		(29,321)	28,616	103,700
Dividend on equity securities		—	—	24,528
Gain on sale of equity securities		—	—	27,450
Total other expenses, net		**(2,183,922)**	**(2,751,259)**	**(6,870,273)**
Net (loss)/income and comprehensive (loss)/income, before taxes		**$ (1,731,893)**	**$ 52,767,826**	**$ 119,909,540**
Income Taxes	16	(21,640)	(497,339)	(1,348,850)
Net (loss)/income and comprehensive (loss)/income		**$ (1,753,533)**	**$ 52,270,487**	**$ 118,560,690**
Deemed dividend on Series A preferred shares	8,11	—	(11,772,157)	—
Net (loss)/income and comprehensive (loss)/income attributable to common shareholders		**(1,753,533)**	**40,498,330**	**118,560,690**
(Loss)/Earnings per common share, basic	11	**(0.26)**	**0.48**	**1.25**
(Loss)/Earnings per common share, diluted	11	**$ (0.26)**	**$ 0.47**	**$ 1.25**
Weighted average number of common shares, basic		6,773,519	83,923,435	94,610,088
Weighted average number of common shares, diluted		6,773,519	85,332,728	94,610,088

The accompanying notes are an integral part of these consolidated financial statements.

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CASTOR MARITIME INC.
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
For the years ended December 31, 2020, 2021, and 2022
(Expressed in U.S. Dollars – except for share data)

	Number of shares issued						
	Common shares	Preferred A shares	Preferred B shares	Par Value of Shares issued	Additional Paid-in capital	Retained earnings/ (Accumulated deficit)	Total Shareholders' Equity
Balance, December 31, 2019	**331,811**	**480,000**	**12,000**	**824**	**12,766,389**	**436,798**	**13,204,011**
- Issuance of common stock pursuant to the $5.0 Million Convertible Debentures (Note 7)	804,208	—	—	804	5,056,969	—	5,057,773
- Issuance of common stock pursuant to the 2020 June Equity Offering, net of issuance costs (Note 8)	5,908,269	—	—	5,908	18,592,344	—	18,598,252
- Issuance of common stock pursuant to the 2020 July Equity Offering, net of issuance costs (Note 8)	5,775,000	—	—	5,775	15,682,079	—	15,687,854
- Issuance of common stock pursuant to the exercise of Class A Warrants (Note 8)	301,950	—	—	302	1,056,523	—	1,056,825
- Beneficial conversion feature pursuant to the issuance of the $5.0 Million Convertible Debentures (Note 7)	—	—	—	—	532,437	—	532,437
Net loss and comprehensive loss	—	—	—	—	—	(1,753,533)	(1,753,533)
Balance, December 31, 2020	**13,121,238**	**480,000**	**12,000**	**13,613**	**53,686,741**	**(1,316,735)**	**52,383,619**
- Issuance of common stock pursuant to the registered direct offerings (Note 8)	42,405,770	—	—	42,406	156,824,134	—	156,866,540
- Issuance of common stock pursuant to warrant exercises (Note 8)	34,428,840	—	—	34,429	83,386,517	—	83,420,946
- Issuance of common stock pursuant to the ATM Program (Note 8)	4,654,240	—	—	4,654	12,388,124	—	12,392,778
- Redemption of Series A Preferred Shares (Note 8)		(480,000)		(480)	(2,627,363)	(11,772,157)	(14,400,000)
Net income and comprehensive income	—	—	—	—	—	52,270,487	52,270,487
Balance, December 31, 2021	**94,610,088**	**—**	**12,000**	**94,622**	**303,658,153**	**39,181,595**	**342,934,370**
- Net income and comprehensive income	—	—	—	—	—	118,560,690	118,560,690
Balance, December 31, 2022	**94,610,088**	**—**	**12,000**	**94,622**	**303,658,153**	**157,742,285**	**461,495,060**

The accompanying notes are an integral part of these consolidated financial statements.

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CASTOR MARITIME INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the years ended December 31, 2020, 2021 and 2022 (Expressed in U.S. Dollars)

	Note	Year ended December 31,		
		2020	2021	2022
Cash Flows (used in)/provided by Operating Activities:				
Net (loss)/income		$ (1,753,533)	$ 52,270,487	$ 118,560,690
Adjustments to reconcile net(loss)/income to net cash (used in)/provided by Operating activities:				
Depreciation and amortization	4,6	1,904,963	14,362,828	25,829,713
Amortization and write-off of deferred finance charges	15	599,087	414,629	850,244
Amortization of other deferred charges		112,508	—	—
Deferred revenue amortization		(430,994)	—	—
Amortization of fair value of acquired charters	5	—	(1,940,000)	409,538
Interest settled in common stock	7,15	57,773	—	—
Amortization and write-off of convertible notes beneficial conversion feature	7,15	532,437	—	—
Provision for doubtful accounts	2	37,103	2,483	266,732
Gain on sale of vessel	6	—	—	(3,222,631)
Gain on sale of equity securities		—	—	(27,450)
Changes in operating assets and liabilities:				
Accounts receivable trade, net		(1,122,836)	(6,924,622)	(5,365,359)
Inventories		(571,284)	(3,722,061)	1,603,621
Due from/to related parties		(797,805)	5,254,323	(11,915,386)
Prepaid expenses and other assets		(885,828)	(3,406,066)	(4,515,365)
Other deferred charges		26,494	(191,234)	140,096
Accounts payable		584,527	3,070,287	4,649,549
Accrued liabilities		625,894	1,495,032	2,920,210
Deferred revenue		46,104	3,819,708	(1,343,953)
Dry-dock costs paid		(1,308,419)	(3,730,467)	(5,087,197)
Net Cash (used in)/provided by Operating Activities		**(2,343,809)**	**60,775,327**	**123,753,052**
Cash flow used in Investing Activities:				
Vessel acquisitions (including time charters attached) and other vessel improvements	6	(35,472,173)	(346,273,252)	(76,405,829)
Advances for vessel acquisition	6	—	(2,367,455)	—
Net proceeds from sale of vessel	6	—	—	12,641,284
Purchase of equity securities		—	—	(60,750)
Proceeds from sale of equity securities		—	—	88,200
Net cash used in Investing Activities		**(35,472,173)**	**(348,640,707)**	**(63,737,095)**
Cash flows provided by Financing Activities:				
Gross proceeds from issuance of common stock and warrants	8	39,053,325	265,307,807	—
Common stock issuance expenses		(3,710,394)	(12,527,747)	(65,797)
Proceeds from long-term debt and convertible debentures	7	9,500,000	97,190,000	77,500,000
Redemption of Series A Preferred Shares	8	—	(14,400,000)	—
Repayment of long-term debt	7	(2,050,000)	(6,878,500)	(27,543,000)
Repayment of related party debt	3	—	(5,000,000)	—
Payment of deferred financing costs		(608,985)	(1,866,615)	(986,208)
Net cash provided by Financing Activities		**42,183,946**	**321,824,945**	**48,904,995**
Net increase in cash, cash equivalents, and restricted cash		**4,367,964**	**33,959,565**	**108,920,952**
Cash, cash equivalents and restricted cash at the beginning of the period		**5,058,939**	**9,426,903**	**43,386,468**
Cash, cash equivalents and restricted cash at the end of the period		**$ 9,426,903**	**$ 43,386,468**	**$ 152,307,420**
RECONCILIATION OF CASH, CASH EQUIVALENTS AND RESTRICTED CASH				
Cash and cash equivalents		$ 8,926,903	$ 37,173,736	$ 142,373,151
Restricted cash, current		—	2,382,732	1,684,269
Restricted cash, non-current		500,000	3,830,000	8,250,000
Cash, cash equivalents, and restricted cash		**$ 9,426,903**	**$ 43,386,468**	**$ 152,307,420**
SUPPLEMENTAL CASH FLOW INFORMATION				
Cash paid for interest		654,555	2,271,525	6,360,170
Shares issued in connection with the settlement of the $5.0 Million Convertible Debentures		5,057,773	—	—
Unpaid capital raising costs (included in Accounts payable and Accrued Liabilities)		—	99,797	34,000
Unpaid vessel acquisition and other vessel improvement costs (included in Accounts payable and Accrued liabilities)		657,204	1,592,001	204,763
Unpaid advances for vessel acquisitions (included in Accounts payable and Accrued Liabilities)		—	710	—
Unpaid deferred dry-dock costs (included in Accounts payable and Accrued liabilities)		907,685	1,113,547	1,850,568
Unpaid deferred financing costs		—	3,980	25,178

The accompanying notes are an integral part of these consolidated financial statements.

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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 subsidiaries (collectively, the "Company"). The Company is engaged in the worldwide transportation of ocean-going cargoes through its vessel-owning subsidiaries. On December 21, 2018, Castor's 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, 2022, Castor was controlled by Thalassa Investment Co. S.A. ("Thalassa") by virtue of its ownership of 100% of the Series B preferred shares of Castor and, as a result, Thalassa controlled the outcome of matters on which shareholders are entitled to vote. Thalassa is controlled by Petros Panagiotidis, the Company's Chairman, Chief Executive Officer and Chief Financial Officer.

On March 7, 2023 (the "Distribution Date"), the Company contributed the subsidiaries constituting the Company's Aframax/LR2 and Handysize tanker segments and Elektra (as defined below) to the Company's wholly owned subsidiary, Toro Corp. ("Toro"), in exchange for (i) the issuance by Toro to Castor of all 9,461,009 of Toro's issued and outstanding common shares, and 140,000 1.00% Series A fixed rate cumulative perpetual convertible preferred shares of Toro, 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 issued and outstanding shares of Toro to its common shareholders of record as of February 22, 2023, on a pro rata basis (such transactions collectively, the "Spin Off") (see also Note 18).

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 3).

Pavimar S.A., a corporation incorporated under the laws of the Republic of the Marshall Islands ("Pavimar"), a related party controlled by the sister of Petros Panagiotidis, Ismini Panagiotidis, provided technical, crew and operational management services to the Company through the first half of 2022. With effect from July 1, 2022, Pavimar co-manages with Castor Ships the technical management of the Company's dry bulk vessels.

As of December 31, 2022, the Company owned a diversified fleet of thirty vessels, with a combined carrying capacity of 2.5 million dwt, consisting of one Capesize, seven Kamsarmax and twelve Panamax dry bulk vessels, as well as two 2,700 TEU containerships and one Aframax, five Aframax/LR2 and two Handysize tankers. Details of the Company's wholly owned subsidiaries as of December 31, 2022, are listed below.

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CASTOR MARITIME INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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1. Basis of Presentation and General information (continued):

(a) Consolidated vessel owning subsidiaries:

	Company	Country of incorporation	Vessel Name	DWT	Year Built	Delivery date to Castor
1	Spetses Shipping Co. (“Spetses”)	Marshall Islands	*M/V Magic P*	76,453	2004	February 2017
2	Bistro Maritime Co. (“Bistro”)	Marshall Islands	*M/V Magic Sun*	75,311	2001	September 2019
3	Pikachu Shipping Co. (“Pikachu”)	Marshall Islands	*M/V Magic Moon*	76,602	2005	October 2019
4	Bagheera Shipping Co. (“Bagheera”)	Marshall Islands	*M/V Magic Rainbow*	73,593	2007	August 2020
5	Pocahontas Shipping Co. (“Pocahontas”)	Marshall Islands	*M/V Magic Horizon*	76,619	2010	October 2020
6	Jumaru Shipping Co. (“Jumaru”)	Marshall Islands	*M/V Magic Nova*	78,833	2010	October 2020
7	Super Mario Shipping Co. (“Super Mario”)	Marshall Islands	*M/V Magic Venus*	83,416	2010	March 2021
8	Pumba Shipping Co. (“Pumba”)	Marshall Islands	*M/V Magic Orion*	180,200	2006	March 2021
9	Kabamaru Shipping Co. (“Kabamaru”)	Marshall Islands	*M/V Magic Argo*	82,338	2009	March 2021
10	Luffy Shipping Co. (“Luffy”)	Marshall Islands	*M/V Magic Twilight*	80,283	2010	April 2021
11	Liono Shipping Co. (“Liono”)	Marshall Islands	*M/V Magic Thunder*	83,375	2011	April 2021
12	Stewie Shipping Co. (“Stewie”)	Marshall Islands	*M/V Magic Vela*	75,003	2011	May 2021
13	Snoopy Shipping Co. (“Snoopy”)	Marshall Islands	*M/V Magic Nebula*	80,281	2010	May 2021
14	Mulan Shipping Co. (“Mulan”)	Marshall Islands	*M/V Magic Starlight*	81,048	2015	May 2021
15	Cinderella Shipping Co. (“Cinderella”)	Marshall Islands	*M/V Magic Eclipse*	74,940	2011	June 2021
16	Rocket Shipping Co. (“Rocket”) [(1)]	Marshall Islands	*M/T Wonder Polaris*	115,351	2005	March 2021
17	Gamora Shipping Co. (“Gamora”) [(1)]	Marshall Islands	*M/T Wonder Sirius*	115,341	2005	March 2021
18	Starlord Shipping Co. (“Starlord”) [(1)]	Marshall Islands	*M/T Wonder Vega*	106,062	2005	May 2021
19	Hawkeye Shipping Co. (“Hawkeye”) [(1)]	Marshall Islands	*M/T Wonder Avior*	106,162	2004	May 2021
20	Mickey Shipping Co. (“Mickey”)	Marshall Islands	*M/V Magic Callisto*	74,930	2012	January 2022
21	Vision Shipping Co. (“Vision”) [(1)]	Marshall Islands	*M/T Wonder Mimosa*	36,718	2006	May 2021
22	Colossus Shipping Co. (“Colossus”) [(1)]	Marshall Islands	*M/T Wonder Musica*	106,290	2004	June 2021
23	Xavier Shipping Co. (“Xavier”) [(1)]	Marshall Islands	*M/T Wonder Formosa*	36,660	2006	June 2021
24	Songoku Shipping Co. (“Songoku”)	Marshall Islands	*M/V Magic Pluto*	74,940	2013	August 2021
25	Asterix Shipping Co. (“Asterix”)	Marshall Islands	*M/V Magic Perseus*	82,158	2013	August 2021
26	Johnny Bravo Shipping Co. (“Johnny Bravo”)	Marshall Islands	*M/V Magic Mars*	76,822	2014	September 2021
27	Garfield Shipping Co. (“Garfield”)	Marshall Islands	*M/V Magic Phoenix*	76,636	2008	October 2021
28	Drax Shipping Co. (“Drax”) [(1)]	Marshall Islands	*M/T Wonder Bellatrix*	115,341	2006	December 2021
29	Jerry Shipping Co. (“Jerry S”)	Marshall Islands	*M/V Ariana A*	38,117	2005	November 2022
30	Tom Shipping Co. (“Tom S”)	Marshall Islands	*M/V Gabriela A*	38,121	2005	November 2022

[(1)] Contributed to Toro on the Distribution Date in connection with the Spin-Off (Note 18).

(b) Consolidated subsidiaries formed to acquire vessels:

	Company	Country of incorporation
1	Tom Maritime Ltd. (“Tom M”)	Malta
2	Jerry Maritime Ltd. (“Jerry M”)	Malta
3	Toro Corp. [(2)]	Marshall Islands
4	Containco Shipping Inc.	Marshall Islands

[(2)] Incorporated on July 29, 2022. At the Distribution Date, Toro served as the holding company to which the equity interests of the Aframax/LR2 and Handysize tanker subsidiaries and Elektra were contributed (see Note 18).

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CASTOR MARITIME INC.
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1. Basis of Presentation and General information (continued):

(c) Consolidated non-vessel owning subsidiaries:

1	Castor Maritime SCR Corp. (“Castor SCR”) [3]
2	Toro RBX Corp. (“Toro RBX”) [4]
3	Elektra Shipping Co. (“Elektra”) [1][5]

[3] Incorporated under the laws of the Marshall Islands on September 16, 2021, this entity serves as the Company’s subsidiaries’ cash manager of the Company’s subsidiaries with effect from November 1, 2021.

[4] Incorporated under the laws of the Marshall Islands on October 3, 2022, to serve, with effect from the Distribution Date, as the cash manager of Toro’s subsidiaries.

[5] Elektra Shipping Co., incorporated under the laws of the Marshall Islands, no longer owns any vessel following the sale of the M/T Wonder Arcturus on May 9, 2022, and delivery of such vessel to an unaffiliated third-party on July 15, 2022 (see also Note 6(a)).

Credit concentration:

During the years ended December 31, 2020, 2021 and 2022, 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 segment, were as follows:

Charterer	Year Ended December 31, 2020	Year Ended December 31, 2021	Year Ended December 31, 2022
A	34%	20%	18%
B	—%	12%	15%
C	—%	—%	10%
D	—	11%	—%
E	24%	—	—%
Total	**58%**	**43%**	**43%**

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 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.

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 and the useful life of the vessels. Actual results may differ from these estimates.

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

Segment Reporting

The Company reports financial information and evaluates its operations by charter revenues and by type of vessel. As a result, management, including the chief operating decision maker, reviews operating results by revenue per day and by the segmented operating results of its fleet. The Company determined that, as of December 31, 2022, it operated under four reportable segments: as a provider of dry bulk commodities transportation services (dry bulk segment), as a provider of transportation services for crude oil (Aframax/LR2 tanker segment) and oil products (Handysize tanker segment) and as a provider of containership cargoes transportation services (containership 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, the disclosure of geographic information is impracticable.

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 has no other comprehensive income/(loss) items and, accordingly, comprehensive income equals net income for the periods presented.

Foreign currency translation

The Company's reporting and functional currency is the U.S. Dollar ("USD"). Transactions incurred in other currencies are translated into USD using the exchange rates in effect at the time of the transactions. At the balance sheet date, monetary assets and liabilities that are denominated in other currencies are translated into USD to reflect the end-of-period exchange rates and any gains or losses are included in the consolidated statements of comprehensive income.

Cash and cash equivalents

The Company considers highly liquid investments such as time deposits and certificates of deposit with an original maturity of three months or less to be cash equivalents.

Restricted Cash

Restricted cash may comprise of (i) minimum liquidity collateral requirements or minimum required cash deposits that are required to be maintained under the Company's financing arrangements, (ii) cash deposits in so-called "retention accounts" which may only be used as per the Company's borrowing arrangements for the purpose of serving the loan installments coming due or, (iii) other cash deposits required to be retained until other specified conditions prescribed in the Company's debt agreements are met. In the event that the obligation to maintain such deposits is expected to elapse within the next operating cycle, these deposits are classified as current assets. Otherwise, they are classified as non-current assets.

Accounts receivable trade, net

The amount shown as trade receivables, net, at each balance sheet date, includes receivables from charterers for hire, freight, pool revenue, 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/or pool arrangements, net of any provision for doubtful accounts. At each balance sheet date, all potentially uncollectible accounts are assessed individually for purposes of determining the appropriate provision for doubtful accounts. Provision for doubtful accounts recorded as of December 31, 2020, 2021 and 2022 amounted to $37,103, $2,483, and $266,732, respectively.

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, in which case, they are also stated at the lower of cost or net realizable value and cost is also determined by the first in, first out method.

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

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 all such identified intangible assets or liabilities at fair value. Fair value is determined by reference to market data obtained by 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.

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.

Investment in equity securities

The Company measures equity securities with readily determinable fair values (including other ownership interests, such as partnerships, unincorporated joint ventures, and limited liability companies, but excluding equity investments that are accounted for under the equity method of accounting or result in consolidation of an investee) at fair value with changes in the fair value recognized through net income, in accordance with ASC 321 "Investments–Equity Securities" and the provisions enumerated under ASC 825 "Financial Instruments". Any dividends subsequently distributed by the investee to the Company are recognized as income when received.

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 'Impairment loss' in the consolidated statement of comprehensive income. A vessel ceases being depreciated once it meets the held for sale classification criteria.

Vessels' depreciation

Depreciation is computed using the straight-line method over the estimated useful life of a vessel, after considering the estimated salvage value. Each vessel's salvage value is equal to the product of its lightweight tonnage and estimated scrap rate. Salvage values are periodically reviewed and revised, if needed, to recognize changes in conditions, new regulations or for other reasons. Revisions of salvage value affect the depreciable amount of the vessels and affect depreciation expense in the period of the revision and future periods. Management estimates the useful life of its vessels to be 25 years from the date of their initial delivery from the shipyard.

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

Impairment of long- lived assets

The Company reviews its vessels for impairment whenever events or changes in circumstances indicate that the carrying amount of a vessel may not be recoverable. When the estimate of future undiscounted cash flows expected to be generated by the use of a vessel is less than its carrying amount, the Company evaluates the vessel for an impairment loss. Measurement of the impairment loss is based on the fair value of the vessel in comparison to its carrying value, including any related intangible assets and liabilities. In this respect, management regularly reviews the carrying amount of its vessels in connection with their estimated recoverable amount. As at December 31, 2022, the Company identified impairment indicators for certain of its vessels and, accordingly, estimated the vessels' recoverable amount by projecting their undiscounted future operating cash flows. In developing estimates of future undiscounted operating cash flows, the Company made assumptions about future charter rates, utilization rates, vessel operating expenses, future dry-docking and/or special survey costs, the estimated remaining useful life of the vessels and their estimated residual value. Based on the results of the undiscounted cash flow tests performed, the Company determined that the vessels for which impairment indicators were present, were not impaired as of December 31, 2022. No impairment indicators were present as of December 31, 2021.

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.

Revenues and voyage expenses recognition

The Company generates its revenues from time charter contracts, voyage 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. Under a voyage charter agreement, a contract is made for the use of a vessel for a specific voyage to transport a specified agreed upon cargo at a specified freight rate per ton or occasionally a lump sum amount. A less significant 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.

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.

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

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.

Revenues related to voyage charter contracts

The Company accounts for its voyage charter contracts following the provisions of ASC 606, *Revenue from contracts with customers*. The Company has determined that its voyage charter agreements do not contain a lease because the charterer under such contracts does not have the right to control the use of the vessel since the Company retains control over the operations of the vessel, provided also that the terms of the voyage charter are predetermined, and any change requires the Company's consent and are therefore considered service contracts.

The Company assessed the provisions of ASC 606 and concluded that there is one single performance obligation when accounting for its voyage charters, which is to provide the charterer with an integrated cargo transportation service within a specified period of time. In addition, the Company has concluded that voyage charter contracts meet the criteria to recognize revenue over time as the charterer simultaneously receives and consumes the benefits of the Company's performance. As a result of the foregoing, voyage revenue derived from voyage charter contracts is recognized from the time when a vessel arrives at the load port until the completion of cargo discharge. Demurrage income, which is considered a form of variable consideration, is included in voyage revenues, and represents payments by the charterer to the vessel owner when loading or discharging time exceeds the stipulated time in the voyage charter agreements.

Under a voyage charter agreement, the Company incurs and pays for certain voyage expenses, primarily consisting of bunkers consumption, brokerage commissions, port and canal costs.

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, design characteristics and the trading capabilities/restrictions of each vessel.

The Company records revenue generated from the pools in accordance with ASC 842, *Leases*, since it assesses that a vessel pool arrangement is a variable time charter with the variable lease payments recorded as income in profit or loss in the period in which the changes in facts and circumstances on which the variable lease payments are based occur.

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

Voyage Expenses

Voyage expenses, consist of: (a) port, canal and bunker expenses unique to a particular charter that the Company incurs primarily when its vessels operate under voyage charter arrangements or during repositioning periods, and (b) brokerage commissions. All voyage expenses are expensed as incurred, except for contract fulfilment costs which are capitalized to the extent the Company, in its reasonable judgement, determines that they (i) are directly related to a contract, (ii) will be recoverable and (iii) enhance the Company's resources by putting the Company's vessel in a location to satisfy its performance obligation under a contract pursuant to the provisions of ASC 340-40 "Other assets and deferred costs". These capitalized contract costs are amortized on a straight-line basis as the related performance obligations are satisfied. Costs to fulfill the contract prior to arriving at the load port primarily consist of bunkers which are deferred and amortized during the voyage period. These capitalized contract fulfilment costs are recorded under "Deferred charges, net" in the accompanying consolidated balance sheets. At the inception of a time charter, the Company records the difference between the cost of bunker fuel delivered by the terminating charterer and the bunker fuel sold to the new charterer as a bunker gain or loss within voyage expenses.

Accounting for Financial Instruments

The principal financial assets of the Company consist of cash and cash equivalents, restricted cash, amounts due from related parties and trade receivables, net. The principal financial liabilities of the Company consist of trade and other payables, accrued liabilities, long-term debt and amounts due to related parties.

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. Under the standard, fair value measurements are separately disclosed by level within the fair value hierarchy.

Repairs and Maintenance

All repair and maintenance expenses including underwater inspection expenses are expensed in the period incurred. Such costs are included in Vessel operating expenses in the accompanying consolidated statements of comprehensive income/(loss).

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.

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

Earnings/ (losses) per common share

Basic earnings/(losses) per common share are computed by dividing net income available to common shareholders after subtracting the deemed dividend on redemption of cumulative preferred stock, which was recognized during the year ended December 31, 2021, 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 or other contracts to issue common stock were exercised.

Commitments and contingencies

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.

Recent Accounting Pronouncements:

There are no recent accounting pronouncements the adoption of which is expected to have a material effect on the Company's consolidated financial statements in the current or any future periods.

3. Transactions with Related Parties:

During the years ended December 31, 2020, 2021, and 2022, the Company incurred the following charges in connection with related party transactions, which are included in the accompanying consolidated statements of comprehensive (loss)/income:

	Year ended December 31, 2020	Year ended December 31, 2021	Year ended December 31, 2022
Management fees-related parties			
Management fees – Castor Ships (a)	$ 162,500	$ 1,983,750	$ 4,038,500
Management fees – Pavimar (b)	768,000	4,761,000	5,357,400
Included in Voyage expenses			
Charter hire commissions – Castor Ships (a)	$ 29,769	$ 1,671,145	$ 3,381,564
Included in Interest and finance costs			
Interest expenses – Thalassa (c)	$ 305,000	$ 204,167	$ —
Included in General and administrative expenses			
Administration fees – Castor Ships (a)	$ 400,000	$ 1,200,000	$ 2,100,000
Included in Gain on sale of vessel			
Sale & purchase commission – Castor Ships (a)	$ —	$ —	$ 131,500

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3. Transactions with Related Parties (continued):

As of December 31, 2021, and 2022, balances with related parties consisted of the following:

	December 31, 2021	December 31, 2022
Assets:		
Due from Castor Ships (a) – current	$ —	$ 330,706
Due from Castor Ships (a) – non-current	—	5,222,572
Due from Pavimar (b) – current	—	2,664,976
Due from Pavimar (b) – non-current	810,437	—
Liabilities:		
Voyage commissions, management fees and other expenses due to Castor Ships (a) – current	$ 597,684	$ —
Due to Pavimar (b) – current	3,909,885	—

(a) Castor Ships: During the period from September 1, 2020 (being the initial Castor Ships Management Agreements effective date), and up to June 30, 2022, pursuant to the terms and conditions stipulated in a master management agreement (the "Master Management Agreement") and separate commercial ship management agreements (the "Ship Management Agreements") with Castor Ships (together, the "Castor Ships Management Agreements"), Castor Ships managed the Company's business and provided commercial ship management, chartering and administrative services to the Company and its vessel owning subsidiaries. During the abovementioned period, the Company and its subsidiaries, in exchange for Castor Ship's services, paid Castor Ships: (i) a flat quarterly management fee in the amount of $0.3 million for the management and administration of the Company's business, (ii) a daily fee of $250 per vessel for the provision of the services under the Ship Management Agreements, (iii) a commission rate of 1.25% on all charter agreements arranged by Castor Ships and (iv) a commission of 1% on each vessel sale and purchase transaction.

Effective July 1, 2022, the Company and each of the Company's vessel owning subsidiaries entered, by mutual consent, into an amended and restated master management agreement with Castor Ships (the "Amended and Restated Master Management Agreement"), appointing Castor Ships as commercial and technical manager for the Company's vessels. The Amended and Restated Master Management Agreement along with new ship management agreements signed between each vessel owning subsidiary and Castor Ships (together, the "Amended Castor Ship Management Agreements") superseded in their entirety the Castor Ships Management Agreements. Pursuant to the Amended and Restated Master Management Agreement, Castor Ships manages the Company's overall business and provides the Company's vessel owning subsidiaries with a wide range of shipping services such as crew management, technical management, operational employment management, insurance management, provisioning, bunkering, accounting and audit support services, commercial, chartering and administrative services, including, but not limited to, securing employment for the Company's fleet, arranging and supervising the vessels' commercial operations, providing technical assistance where requested in connection with the sale of a vessel, negotiating loan and credit terms for new financing upon request and providing general corporate and administrative services, among other matters, which it may choose to subcontract to other parties at its discretion. Castor Ships is generally not liable to the Company for any loss, damage, delay or expense incurred during the provision of the foregoing services, except insofar as such events arise from Castor Ships or its employees' fraud, gross negligence or willful misconduct (for which the Company's recovery will be limited to two times the Flat Management Fee, as defined below). Notwithstanding the foregoing, Castor Ships will in no circumstances be responsible for the actions of the Company's crews. The Company has also agreed to indemnify Castor Ships in certain circumstances.

In exchange for the services provided by Castor Ships, the Company and its vessel owning subsidiaries, pay Castor Ships (i) a flat quarterly management fee in the amount of $0.75 million for the management and administration of their business (the "Flat Management Fee"), (ii) a commission of 1.25% on all gross income received from the operation of their vessels, and (iii) a commission of 1% on each consummated sale and purchase transaction. In addition, each of the Company's vessel owning subsidiaries pay Castor Ships a daily management fee of $925 per containership and dry bulk vessel, and a daily management fee of $975 per tanker vessel (collectively, the "Ship Management Fees") for the provision of the ship management services provided in the ship management agreements. Pavimar is paid directly by the dry bulk vessel owning subsidiaries its previously agreed proportionate daily management fee of $600 per vessel and Castor Ships is paid the residual amount of $325 of the agreed daily ship management fee. The Ship Management Fees and Flat Management Fee will be adjusted annually for inflation on each anniversary of the Amended and Restated Master Management Agreement's effective date. The Company also reimburses Castor Ships for extraordinary fees and costs, such as the costs of extraordinary repairs, maintenance or structural changes to the Company's vessels.

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3. Transactions with Related Parties (continued):

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

As of December 31, 2022, in accordance with the provisions of the Amended Castor Ship Management Agreements, Castor Ships had subcontracted to (i) two third-party ship management companies the technical management of all the Company's tanker vessels and (ii) Pavimar the technical management of the Company's containerships and was also co-managing with Pavimar the Company's dry bulk vessels. Castor Ships pays, at its own expense, the tanker and containership technical management companies a fee for the services it has subcontracted to them, without any additional cost to the Company.

During the years ended December 31, 2020 and 2021, the Company incurred sale and purchase commissions amounting to $138,600 and $3,406,400, respectively, included in 'Vessels, net' in the accompanying consolidated balance sheets. During the year ended December 31, 2022, the Company incurred sale and purchase commissions amounting to $874,500, of which $743,000 are included in 'Vessels, net' and $131,500 are included in 'Gain on sale of vessel' in the accompanying financial statements.

The Amended Castor Ship Management Agreements also provide for an advance funding equal to one month of vessel daily operating costs to be placed with Castor Ships as working capital guarantee, refundable in case a vessel is no longer under Castor Ship's management. As of December 31, 2022, such advances amounted to $5,222,572 and are presented in 'Due from related parties, non-current', in the accompanying consolidated balance sheet. In connection with the subcontracting services rendered by other related party and third-party ship-management companies, the Company had, as of December 31, 2022, paid Castor Ships working capital guarantee deposits aggregating the amount of $1,210,437, which are presented in 'Due from related parties, current' in the accompanying consolidated balance sheet. As of December 31, 2022, a net amount of $57,406 was due from Castor Ships in relation to operating expenses payments made by it on behalf of the Company. Further, as of December 31, 2021, and December 31, 2022, amounts of $597,684 and $937,137 were due to Castor Ships in connection with the services covered by the Castor Ships Management Agreements and the Amended Castor Ships Management Agreements, respectively. As a result, as of December 31, 2021 and December 31, 2022, net amounts of $597,684 and $330,706, respectively, were due to and due from Castor Ships which are presented in 'Due to related parties, current' and 'Due from related parties, current', respectively, in the accompanying consolidated balance sheets.

(b) Pavimar: From the Company's inception and until June 30, 2022, Pavimar, provided, on an exclusive basis, all of the Company's vessel owning subsidiaries with a wide range of shipping services, including crew management, technical management, operational management, insurance management, provisioning, bunkering, vessel accounting and audit support services, which it could choose to subcontract to other parties at its discretion. Effective January 1, 2020, and during the eight-month period ended August 31, 2020, the Company's vessels then comprising its fleet were charged with a daily management fee of $500 per day per vessel. On September 1, 2020, the Company's then vessel owning subsidiaries entered into revised ship management agreements with Pavimar which replaced the then existing ship management agreements in their entirety (the "Technical Management Agreements"). Pursuant to the terms of the Technical Management Agreements, effective September 1, 2020, Pavimar provided all of the Company's vessel owning subsidiaries with the range of technical, crewing, insurance and operational services stipulated in the previous agreements in exchange for a daily management fee of $600 per vessel. Effective July 1, 2022, the technical management agreements entered into between Pavimar and the Company's tanker vessel owning subsidiaries were terminated by mutual consent. In connection with such termination, Pavimar and the tanker vessel owning subsidiaries agreed to mutually discharge and release each other from any past and future liabilities arising from the respective agreements. Further, with effect from July 1, 2022, pursuant to the terms of the Amended and Restated Master Management Agreement, Pavimar, continues to provide, as co-manager with Castor Ships, the dry-bulk vessel owning subsidiaries 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. In late January 2023, Castor Ships transferred the technical sub-management of the Company's containerships from Pavimar to a third-party ship management company.

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3. Transactions with Related Parties (continued):

Pavimar had subcontracted the technical management of 12 (comprising of three dry bulk and nine tanker) and four (comprising of three dry bulk and one containership) of the Company's vessels to third-party ship-management companies as of December 31, 2021 and December 31, 2022, respectively. These third-party management companies provided technical management services to the respective vessels for a fixed annual fee which is paid by Pavimar at its own expense. In connection with the subcontracting services rendered by the third-party ship-management companies, the Company had, as of December 31, 2021, paid Pavimar working capital guarantee deposits aggregating the amount of $1,568,689, of which $758,252 are netted within 'Due to related party, current' and $810,437 are presented in 'Due from related parties, non-current' in the accompanying consolidated balance sheet. As of December 31, 2022, the Company had paid Pavimar working capital guarantee deposits aggregating the amount of $258,252, which are presented in 'Due from related parties, current' in the accompanying consolidated balance sheet. In addition, Pavimar and its subcontractor third-party managers make payments for operating expenses with funds paid from the Company to Pavimar. As of December 31, 2021, and December 31, 2022, net amounts of $4,668,137 and $2,665,824 were due to and due from Pavimar, respectively, in relation to payments made by Pavimar or advance payments to Pavimar on behalf of the Company. Further, as of December 31, 2022, an amount of $259,100 was due to Pavimar in connection with additional services covered by the technical management agreements. As a result, as of December 31, 2021, and December 31, 2022, net amounts of $3,909,885 and $2,664,976, respectively, were due to and due from Pavimar, which are presented in 'Due to related parties, current' and 'Due from related parties, current', respectively, in the accompanying consolidated balance sheets.

(c) Thalassa - $5.0 Million Term Loan Facility: On August 30, 2019, the Company entered into a $5.0 million unsecured term loan with Thalassa, the proceeds of which were used to partly finance the acquisition of the *M/V Magic Sun*. The Company drew down the entire loan amount on September 3, 2019. The facility bore a fixed interest rate of 6.00% per annum and initially had a bullet repayment on March 3, 2021, which, pursuant to a supplemental agreement dated March 2, 2021, was granted a six-month extension. At its extended maturity, on September 3, 2021, the Company repaid $5.0 million of principal and $609,167 of accrued interest due and owing from it to Thalassa and, as a result, the Company, with effect from that date, was discharged from all its liabilities and obligations under this facility.

During the years ended December 31, 2020, and 2021, the Company incurred interest costs in connection with the above facility amounting to $305,000, and $204,167, respectively, which are included in 'Interest and finance costs' in the accompanying consolidated statements of comprehensive (loss)/income.

(d) Vessel Acquisitions:

On January 4, 2022, the Company's wholly owned subsidiary, Mickey, pursuant to a purchase agreement entered into on December 17, 2021, took delivery of the *M/V Magic Callisto*, a Japanese-built Panamax dry bulk carrier acquired from a third-party in which a family member of Petros Panagiotidis had a minority interest. The vessel was purchased for $23.55 million. The terms of the transaction were negotiated and approved by a special committee of disinterested and independent directors of the Company. The *M/V Magic Callisto* acquisition was financed with cash on hand.

Further, on October 26, 2022, two of the Company's wholly owned subsidiaries, Tom S and Jerry S, entered into two separate agreements for each to acquire a 2005 German-built 2,700 TEU containership vessel, from two separate entities beneficially owned by family members of Petros Panagiotidis. The purchase price for such vessels was $25.75 million and $25.00 million, respectively. The terms of these transactions were negotiated and approved by a special committee of the Company's disinterested and independent directors. The acquisition of both vessels was financed with cash on hand and by utilizing the net proceeds from the $22.5 Million Term Loan Facility.

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3. Transactions with Related Parties (continued):

(e) Entry into pool agreement with V8 Pool Inc.: In the period between September 30, 2022, and December 12, 2022, the *M/T Wonder Polaris*, *M/T Wonder Sirius*, *M/T Wonder Bellatrix*, *M/T Wonder Musica*, *M/T Wonder Avior*, and *M/T Wonder Vega* entered into a series of separate agreements with V8 Pool Inc., a member of Navig8 Group of companies, for the participation of the vessels in a pool operating Aframax tankers aged fifteen (15) years or more, the V8 Plus Pool. The V8 Plus Pool is managed by V8 Plus Management Pte Ltd., a company in which Petros Panagiotidis has a minority equity interest. As of December 31, 2022, all the above vessels were operating in the V8 Plus Pool. In February 2023, the agreement relating to the *M/T Wonder Sirius*'s participation in the V8 Plus Pool was terminated and the vessel commenced employment under a period time charter.

4. 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, 2019	**$ —**
Additions	2,216,102
Amortization	(154,529)
Balance December 31, 2020	**$ 2,061,573**
Additions	3,936,331
Amortization	(1,135,080)
Balance December 31, 2021	**$ 4,862,824**
Additions	6,448,488
Less: Insurance claim recognized	(624,270)
Amortization and write-offs	(2,708,081)
Balance December 31, 2022	**$ 7,978,961**

During the year ended December 31, 2022, four of the Company's dry bulk carrier vessels (the *M/V Magic Horizon*, the *M/V Magic Moon*, the *M/V Magic P* and the *M/V Magic Perseus)* and two of the Company's tanker vessels (the *M/T Wonder Musica* and the *M/T Wonder Avior*) concluded scheduled drydocking repairs.

5. Fair Value of Acquired Time Charters:

In connection with the acquisition of the *M/V Magic Pluto* in May 2021 with a time charter attached, the Company initially recognized an intangible liability of $1,940,000, representing the fair value of the unfavorable time charter acquired. The *M/V Magic Pluto* attached charter commenced upon the vessel's delivery, on August 6, 2021, and was concluded within the fourth quarter of 2021. Accordingly, the respective intangible liability was fully amortized during that period.

Further, 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.

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5. Fair Value of Acquired Time Charters (continued):

For the years ended December 31, 2021, and December 31, 2022, the amortization of the acquired time charters related to the above acquisitions amounted to $1,940,000 and $409,538, respectively, and is included in Total vessel revenues in the accompanying consolidated statements of comprehensive (loss)/income. The aggregate unamortized portion of the *M/V Ariana A* and *M/V Gabriela A* intangible assets as of December 31, 2022, amounted to $2,507,506 and is presented under "Fair value of acquired time charter contracts" in the accompanying consolidated balance sheets. The unamortized balance of the acquired time charter contracts as of December 31, 2022, is expected to be amortized to vessel revenues by $2,242,333 within 2023 and by $265,173 within 2024, in accordance with the anticipated expiration date of the respective charter contracts.

6. Vessels, net/ Advances for Vessel Acquisitions:

(a) Vessels, net: The amounts in the accompanying consolidated balance sheets are analyzed as follows:

	Vessel Cost	Accumulated depreciation	Net Book Value
Balance December 31, 2019	**24,810,061**	**(1,110,032)**	**23,700,029**
— Acquisitions, improvements, and other vessel costs	36,096,033	—	36,096,033
— Period depreciation	—	(1,750,434)	(1,750,434)
Balance December 31, 2020	**60,906,094**	**(2,860,466)**	**58,045,628**
— Acquisitions, improvements, and other vessel costs	299,460,599	—	299,460,599
— Transfers from Advances for vessel acquisitions (b)	49,687,450	—	49,687,450
— Period depreciation	—	(13,227,748)	(13,227,748)
Balance December 31, 2021	**410,054,143**	**(16,088,214)**	**393,965,929**
— Acquisitions, improvements, and other vessel costs	72,100,835	—	72,100,835
— Transfers from Advances for vessel acquisitions (b)	2,368,165	—	2,368,165
— Vessel disposal	(10,018,583)	599,930	(9,418,653)
— Period depreciation	—	(23,121,632)	(23,121,632)
Balance December 31, 2022	**474,504,560**	**(38,609,916)**	**435,894,644**

Vessel Acquisitions/Disposal and other Capital Expenditures:

During the year ended December 31, 2021, the Company agreed to acquire 14 dry bulk carriers and nine tanker vessels for an aggregate cash consideration of $363.6 million (the "2021 Vessel Acquisitions"). Of the 2021 Vessel Acquisitions, 22 were concluded during the year ended December 31, 2021, whereas the last one, this of the *M/V Magic Callisto*, was concluded on January 4, 2022. The 2021 Vessel Acquisitions were financed with cash on hand and the net proceeds from the debt and equity financings discussed under Notes 7 and 8 below.

During the year ended December 31, 2022, the Company agreed to acquire two containerships, the *M/V Ariana A* and the *M/V Gabriela A*, for an aggregate cash consideration of $50.75 million (the "2022 Vessel Acquisitions", see also Note 3(d)). Both acquisitions were financed with cash on hand and the net proceeds from the $22.5 Million Term Loan Facility discussed in Note 7 and were delivered to the Company in November 2022.

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6. Vessels, net/ Advances for Vessel Acquisitions (continued):

Details regarding the 2021 and the 2022 Vessel Acquisitions delivered as of December 31, 2021 and 2022, are presented below.

Vessel Name	Vessel Type	DWT	Year Built	Country of Construction	Purchase Price (in million)	Delivery Date
2021 Acquisitions						
M/V Magic Venus	Kamsarmax	83,416	2010	Japan	$15.85	03/02/2021
M/T Wonder Polaris	Aframax LR2	115,351	2005	S. Korea	$13.60	03/11/2021
M/V Magic Orion	Capesize	180,200	2006	Japan	$17.50	03/17/2021
M/V Magic Argo	Kamsarmax	82,338	2009	Japan	$14.50	03/18/2021
M/T Wonder Sirius	Aframax LR2	115,341	2005	S. Korea	$13.60	03/22/2021
M/V Magic Twilight	Kamsarmax	80,283	2010	S. Korea	$14.80	04/09/2021
M/V Magic Thunder	Kamsarmax	83,375	2011	Japan	$16.85	04/13/2021
M/V Magic Vela	Panamax	75,003	2011	China	$14.50	05/12/2021
M/V Magic Nebula	Kamsarmax	80,281	2010	S. Korea	$15.45	05/20/2021
M/T Wonder Vega	Aframax	106,062	2005	S. Korea	$14.80	05/21/2021
M/V Magic Starlight	Kamsarmax	81,048	2015	China	$23.50	05/23/2021
M/T Wonder Avior	Aframax LR2	106,162	2004	S. Korea	$12.00	05/27/2021
M/T Wonder Arcturus	Aframax LR2	106,149	2002	S. Korea	$10.00	05/31/2021
M/T Wonder Mimosa	Handysize	36,718	2006	S. Korea	$7.25	05/31/2021
M/V Magic Eclipse	Panamax	74,940	2011	Japan	$18.48	06/07/2021
M/T Wonder Musica	Aframax LR2	106,290	2004	S. Korea	$12.00	06/15/2021
M/T Wonder Formosa	Handysize	36,660	2006	S. Korea	$8.00	06/22/2021
M/V Magic Pluto	Panamax	74,940	2013	Japan	$19.06	08/06/2021
M/V Magic Perseus	Kamsarmax	82,158	2013	Japan	$21.00	08/09/2021
M/V Magic Mars	Panamax	76,822	2014	S. Korea	$20.40	09/20/2021
M/V Magic Phoenix	Panamax	76,636	2008	Japan	$18.75	10/26/2021
M/T Wonder Bellatrix	Aframax LR2	115,341	2006	S. Korea	$18.15	12/23/2021
2022 Acquisitions						
M/V Magic Callisto	Panamax	74,930	2012	Japan	$23.55	01/04/2022
M/V Ariana A	Containership	38,117	2005	Germany	$25.00	11/23/2022
M/V Gabriela A	Containership	38,121	2005	Germany	$25.75	11/30/2022

On May 9, 2022, due to a favorable offer, the Company entered into an agreement with an unaffiliated third party for the sale of the *M/T Wonder Arcturus* for a gross sale price of $13.15 million. The vessel was delivered to its new owners on July 15, 2022. In connection with this sale, the Company recognized during the third quarter of 2022 a net gain of $3.2 million which is separately presented in 'Gain on sale of vessel' in the accompanying consolidated statements of comprehensive (loss)/income.

During the year ended December 31, 2022, the Company incurred aggregate capitalized vessel improvement costs amounting to $3.0 million, mainly related to (i) the ballast water treatment system ("BWTS") installations on the *M/V Magic Moon*, *M/V Magic Rainbow*, *M/V Magic Perseus*, *M/V Magic P* that were concluded in 2022, and (iii) the BWTS installation on the *M/T Wonder Formosa* that was initiated in February 2023 and was concluded in early March 2023.

During the year ended December 31, 2021, the Company incurred aggregate vessel improvement costs of $1.8 million mainly relating to (i) the purchase and installation of a BWTS on the *M/T Wonder Mimosa* during the vessel's dry dock that was initiated late in the second quarter of 2021 and concluded early in the third quarter of 2021, and (ii) the consideration paid to acquire the BWTS equipment of the *M/V Magic Vela* and additional BWTS installation costs incurred during the vessel's dry dock that was initiated in the third quarter and concluded in the fourth quarter of 2021.

As of December 31, 2022, 20 of the 30 vessels in the Company's fleet having an aggregate carrying value of $301.5 million were first priority mortgaged as collateral to their loan facilities (Note 7).

Consistent with prior practices, the Company reviewed all its vessels for impairment, and none were found to be impaired at December 31, 2021 and December 31, 2022.

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6. Vessels, net/ Advances forVessel Acquisitions (continued):

(b) Advances for vessel acquisitions:

The amounts in the accompanying consolidated balance sheets are analyzed as follows:

	Vessel Cost
Balance December 31, 2020	**$ —**
— Advances for vessel acquisitions and other vessel pre-delivery costs	52,055,615
—Transfer to Vessels, net (a)	(49,687,450)
Balance December 31, 2021	**$ 2,368,165**
—Transfer to Vessels, net (a)	(2,368,165)
Balance December 31, 2022	**$ —**

During the years ended December 31, 2021, and December 31, 2022, the Company took delivery of the vessels discussed under (a) above and, hence, certain advances paid in the period for these vessels were transferred from Advances for vessel acquisitions to Vessels, net. The balance of Advances for vessel acquisitions as of December 31, 2021, reflects the advance payment made for the acquisition of the *M/V Magic Callisto*.

7. Long-Term Debt:

The amount of long-term debt shown in the accompanying consolidated balance sheet of December 31, 2022, is analyzed as follows:

		Year Ended	
Loan facilities	**Borrowers**	**December 31, 2021**	**December 31, 2022**
$11.0 Million Term Loan Facility (a)	Spetses- Pikachu	$ 7,800,000	$ 6,200,000
$4.5 Million Term Loan Facility (b)	Bistro	3,450,000	2,850,000
$15.29 Million Term Loan Facility (c)	Pocahontas- Jumaru	13,877,000	11,993,000
$18.0 Million Term Loan Facility (d)	Rocket- Gamora	16,300,000	13,250,000
$40.75 Million Term Loan Facility (e)	Liono-Snoopy-Cinderella-Luffy	39,596,000	34,980,000
$23.15 Million Term Loan Facility (f)	Bagheera-Garfield	22,738,500	17,800,500
$55.00 Million Term Loan Facility (g)	Mulan- Johnny Bravo-Songoku-Asterix-Stewie	—	44,395,000
$22.5 Million Term Loan Facility (h)	Tom-Jerry	—	22,250,000
Total long-term debt		**$ 103,761,500**	**$ 153,718,500**
Less: Deferred financing costs		(1,720,101)	(1,877,264)
Total long-term debt, net of deferred finance costs		**$ 102,041,399**	**151,841,236**
Presented:			
Current portion of long-term debt		**$ 16,688,000**	**$ 32,548,400**
Less: Current portion of deferred finance costs		(596,277)	(771,283)
Current portion of long-term debt, net of deferred finance costs		**$ 16,091,723**	**$ 31,777,117**
Non-Current portion of long-term debt		**87,073,500**	**121,170,100**
Less: Non-Current portion of deferred finance costs		(1,123,824)	(1,105,981)
Non-Current portion of long-term debt, net of deferred finance costs		**$ 85,949,676**	**$ 120,064,119**

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7. Long-Term Debt (continued):

a. $11.0 Million Term Loan Facility

On November 22, 2019, two of the Company's wholly owned dry bulk vessel ship-owning subsidiaries, Spetses and Pikachu owning the *M/V Magic P* and the *M/V Magic Moon*, respectively, entered into the Company's first senior secured term loan facility in the amount of $11.0 million with Alpha Bank S.A. 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 instalments of $400,000 each, plus a balloon instalment of $3.0 million payable simultaneously with the last instalment at maturity, on December 2, 2024. 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.

b. $4.5 Million Term Loan Facility

On January 23, 2020, pursuant to the terms of a credit agreement, the Company's wholly owned dry bulk vessel ship-owning subsidiary, Bistro, entered into a $4.5 million senior secured term loan facility with Chailease International Financial Services Co., Ltd. The facility was drawn down on January 31, 2020, is repayable in twenty (20) equal quarterly installments of $150,000 each, plus a balloon installment of $1.5 million payable simultaneously with the last instalment at maturity, and bears interest at a margin over LIBOR per annum. The above facility contains a standard security package including a first preferred mortgage on the vessel owned by the borrower (the *M/V Magic Sun*), pledge of bank account, charter assignment, 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 and Pavimar. Pursuant to the terms of this facility, the Company is also subject to certain minimum liquidity restrictions requiring the borrower to maintain a certain credit balance in an account of the lender as "cash collateral" as well as certain negative covenants customary for facilities of this type. The credit agreement governing this facility also requires maintenance of a minimum value to loan ratio being the aggregate principal amount of (i) fair market value of the collateral vessel and (ii) the value of any additional security (including the cash collateral referred to above), to the aggregate principal amount of the loan. This facility's net proceeds were used to fund the 2021 Vessel Acquisitions (see Note 6(a)) and for general corporate purposes.

c. $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 Jumaru, 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. 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.

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7. Long-Term Debt (continued):

d. $18.0 Million Term Loan Facility

On April 27, 2021, two of the Company's wholly owned tanker vessel ship-owning subsidiaries, Rocket and Gamora, entered into a $18.0 million senior secured term loan facility with Alpha Bank S.A. The facility was drawn down in two tranches on May 7, 2021. This facility has a term of four years from the drawdown date, bears interest at a margin over LIBOR per annum and is repayable in (a) sixteen (16) quarterly instalments (1 to 4 in the amount of $850,000 and 5 to 16 in the amount of $675,000) and (b) a balloon installment in the amount of $6.5 million, such balloon instalment payable at maturity together with the last repayment instalment. The above facility is secured by first preferred mortgage and first priority general assignment covering earnings, insurances and requisition compensation over the vessels owned by the borrowers, (the *M/T Wonder Sirius* and the *M/T Wonder Polaris*), an earnings account pledge, shares security deed relating to the shares of the vessels' owning subsidiaries, manager's undertakings and was, until the Distribution Date, guaranteed by the Company. As of December 31, 2022, the facility also contained certain customary minimum liquidity restrictions and financial covenants that required 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 liquidity deposits referred to above, to the aggregate principal amounts due under the facility.

This facility's net proceeds were used to fund the 2021 Vessel Acquisitions (Note 6(a)) and for general corporate purposes. In connection with the Spin-Off, the $18.0 Million Term Loan Facility was amended such that Toro replaced the Company as guarantor under the facility upon completion of the Spin-Off. At such time, the Company ceased to have any obligations under such facility (see Note 18).

e. $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 instalment and bears interest at a margin over LIBOR per annum. 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*, *M/V Magic Eclipse* and the *M/V Magic Twilight*), 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 the 2021 Vessel Acquisitions (Note 6(a)) and for general corporate purposes.

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7. Long-Term Debt (continued):

f. $23.15 Million Term Loan Facility

On November 22, 2021, pursuant to the terms of a credit agreement, two of the Company's wholly owned dry bulk vessel ship-owning subsidiaries, Bagheera and Garfield, entered into a $23.15 million senior secured term loan facility with Chailease International Financial Services (Singapore) Pte. Ltd. The loan was drawn down in two tranches on November 24, 2021, the first in a principal amount of $10.15 million and the second in a principal amount of $13.0 million. Both tranches mature five years after the drawdown date and are repayable in sixty (60) monthly installments (1 to 18 in the amount of $411,500 and 19 to 59 in the amount of $183,700) and (b) a balloon installment in the amount of $8.2 million payable at maturity simultaneously with the last instalment and bear interest at a margin over LIBOR per annum. The above facility contains a standard security package including first preferred mortgages on the vessels owned by the borrowers, pledge of bank accounts, shares security deed relating to the shares of the vessels' owning subsidiaries, charter assignments, shares pledge, and a general assignment over the vessels' earnings, insurances and any requisition compensation in relation to the vessels owned by the borrowers (the *Magic Rainbow* and the *Magic Phoenix*) and is guaranteed by the Company. Pursuant to this facility, the Company is also subject to certain negative covenants customary for facilities of this type and a certain minimum liquidity restriction requiring the borrowers to maintain a certain minimum cash balance with the lender. This facility's net proceeds were used to fund the 2021 Vessel Acquisitions (Note 6(a)) and for general corporate purposes.

g. $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 instalments (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 instalment payable at maturity together with the last repayment instalment. 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.

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7. Long-Term Debt (continued):

h. $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 International Financial Services (Singapore) Pte. Ltd. (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 instalments (installments 1 to 9 in the amount of $250,000, installments 10 to 12 in the amount of $175,000, installments 13 to 59 in the amount of $150,000 and a balloon installment in the amount of $1,425,000 payable at maturity).The above facility is secured by first preferred mortgage and first priority general and charter assignment covering earnings, insurances, requisition compensation and any charter and charter guarantee over the vessels owned by the borrowers, shares security deed relating to the shares of the vessels' owning subsidiaries, managers' undertakings and is guaranteed by the Company. Pursuant to the terms of this facility, the Company is also subject to certain negative covenants customary for this type of facility and a certain minimum liquidity restriction requiring the borrowers to maintain a certain cash collateral deposit in an account held by the lender. This facility's net proceeds were used to fund the acquisitions of the *M/V Ariana A* and the *M/V Gabriela A* (Note 6(a)) and for general corporate purposes.

As of December 31, 2021, and 2022, the Company was in compliance with all financial covenants prescribed in its debt agreements.

Restricted cash as of December 31, 2022, current and non-current, includes (i) $7.3 million of minimum liquidity deposits required pursuant to the $11.0 Million Term Loan Facility, the $18.0 Million Term Loan Facility, the $15.29 Million Term Loan Facility, the $40.75 Million Term Loan Facility and the $55.0 Million Term Loan Facility discussed above, (ii) $0.9 million in the dry-dock reserve accounts required under the $15.29 Million Term Loan Facility, the $40.75 Million Term Loan Facility and the $55.00 Million Term Loan Facility discussed above, and (iii) $1.7 million of retention deposits required under the $15.29 Million Term Loan Facility and the $40.75 Million Term Loan Facility.

Restricted cash as of December 31, 2021, current and non-current, includes (i) $4.6 million of minimum liquidity deposits required pursuant to the $11.0 million term loan facility, the $18.0 million term loan facility, the $15.29 million term loan facility and the $40.75 million term loan facility discussed above, (ii) $0.2 million in the dry-dock reserve accounts required under the $15.29 million term loan facility and the $40.75 million term loan facility discussed above, and (iii) $1.4 million of retention deposits.

The annual principal payments for the Company's outstanding debt arrangements as of December 31, 2022, required to be made after the balance sheet date, are as follows:

Year ending December 31,	**Amount**
2023	$ 32,548,400
2024	27,204,400
2025	33,915,400
2026	40,140,300
2027	19,910,000
Total long-term debt	**$ 153,718,500**

The weighted average interest rate on the Company's long-term debt for the years ended December 31, 2020, 2021 and 2022 was 5.0%, 3.6% and 5.1% respectively.

Total interest incurred on long-term debt for the years ended December 31, 2020, 2021 and 2022, amounted to $1,030,925, $2,232,843 and $7,535,258 respectively, and is included in Interest and finance costs (Note 15) in the accompanying consolidated statements of comprehensive (loss)/income.

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8. 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.

(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")

On June 23, 2020, the Company entered into an agreement with Maxim, acting as underwriter, pursuant to which it offered and sold 5,911,000 units, each unit consisting of (i) one common share or a pre-funded warrant to purchase one common share at an exercise price equal to $0.10 per common share (a "Pre-Funded Warrant"), and (ii) one Class A Warrant to purchase one common share (a "Class A Warrant"), for $3.50 per unit (or $3.40 per unit including a Pre-Funded Warrant). This offering closed on June 26, 2020 and resulted in the issuance of 5,908,269 common shares (the " 2020 June Equity Offering Shares") and 5,911,000 Class A Warrants, which also included 771,000 over-allotment units pursuant to an over-allotment option that was exercised by Maxim on June 24, 2020. The Company raised gross and net cash proceeds from this transaction of $20.7 million and $18.6 million, respectively.

The Class A Warrants issued in the above offering have a term of five years and are exercisable immediately and throughout their term for $3.50 per common share (American style option). The exercise price of the Class A Warrants is subject to appropriate adjustment in the event of certain stock dividends and distributions, stock splits, stock combinations, reclassifications or similar events affecting the Company's common shares and also upon any distributions of assets, including cash, stock or other property to existing shareholders.

During the years ended December 31, 2020, and 2021, there were exercises of 301,950 and 5,546,706 Class A Warrants pursuant to which the Company received proceeds of $1.1 million and $19.4 million, respectively, while no exercises took place during the year ended December 31, 2022. As a result, as of December 31, 2022, 62,344 Class A Warrants remained unexercised and potentially issuable into common stock of the Company.

On initial recognition the fair value of the Class A Warrants was $22.4 million and was determined using the Black-Scholes methodology. The fair value was considered by the Company to be classified as Level 3 in the fair value hierarchy since it was derived by unobservable inputs. The major unobservable input in connection with the valuation of the Class A Warrants was the volatility used in the valuation model, which was approximated by using historical observations of the Company's share price. The annualized historical volatility that has been applied in the Class A Warrants valuation was 153.5%. A 5% increase in the volatility applied would have led to an increase of 1.4% in the fair value of the Class A Warrants.

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8. Equity Capital Structure (continued):

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

On July 12, 2020, the Company entered into agreements with certain unaffiliated institutional investors pursuant to which it offered and sold 5,775,000 common shares in a registered offering. In a concurrent private placement, the Company also issued warrants to purchase up to 5,775,000 common shares (the "Private Placement Warrants"). In connection with this offering, which closed on July 15, 2020, the Company received gross and net cash proceeds of approximately $17.3 million and $15.7 million, respectively.

The 2020 Private Placement Warrants issued in the offering discussed above have a term of five years and are exercisable immediately and throughout their term for $3.50 per common share (American style option). The exercise price of the Private Placement Warrants is subject to appropriate adjustment in the event of certain stock dividends and distributions, stock splits, stock combinations, reclassifications or similar events affecting the Company's common shares and also upon any distributions of assets, including cash, stock or other property to existing shareholders.

Between their issuance date, being July 15, 2020, and December 31, 2020, as well as during the year ended December 31, 2022, there were no exercises of Private Placement Warrants. During the year ended December 31, 2021, there were exercises of 5,707,136 Private Placement Warrants pursuant to which the Company received total gross proceeds of $20.0 million. As of December 31, 2022, 67,864 Private Placement Warrants remained unexercised and potentially issuable into common stock of the Company.

On initial recognition the fair value of the Private Placement Warrants was $13.2 million and was determined using the Black-Scholes methodology. The fair value was considered by the Company to be classified as Level 3 in the fair value hierarchy since it was derived by unobservable inputs. The major unobservable input in connection with the valuation of the Private Placement Warrants was the volatility used in the valuation model, which was approximated by using historical observations of the Company's share price. The annualized historical volatility that has been applied in the Private Placement Warrants valuation was 153.2%. A 5% increase in the volatility applied would have led to an increase of 1.9% in the fair value of the Private Placement Warrants.

2021 First Registered Direct Equity Offering

On December 30, 2020, the Company entered into agreements with certain unaffiliated institutional investors pursuant to which it offered and sold 9,475,000 common shares and warrants to purchase up to 9,475,000 common shares (the "January 5 Warrants") in a registered direct offering. In connection with this direct equity offering, which closed on January 5, 2021, the Company received gross and net cash proceeds of approximately $18.0 million and $16.5 million, respectively.

The January 5 Warrants issued in the above equity offering had a term of five years and were exercisable immediately and throughout their term for $1.90 per common share (American style option). The exercise price of the January 5 Warrants was subject to appropriate adjustment in the event of certain stock dividends and distributions, stock splits, stock combinations, reclassifications or similar events affecting the Company's common shares and upon any distributions of assets, including cash, stock or other property to existing shareholders.

As of February 10, 2021, all the January 5 Warrants had been exercised, and, pursuant to their exercise and the issuance by the Company of 9,475,000 common shares, the Company received gross and net proceeds of $18.0 million.

On initial recognition the fair value of the January 5 Warrants was $22.2 million and was determined using the Black-Scholes methodology. The fair value was considered by the Company to be classified as Level 3 in the fair value hierarchy since it was derived by unobservable inputs. The major unobservable input in connection with the valuation of the January 5 Warrants was the volatility used in the valuation model, which was approximated by using historical observations of the Company's share price. The annualized historical volatility that has been applied in the January 5 Warrants valuation was 137.5%. A 5% increase in the volatility applied would have led to an increase of 1.7% in the fair value of the January 5 Warrants.

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8. Equity Capital Structure (continued):

2021 Second Registered Direct Equity Offering

On January 8, 2021, the Company entered into agreements with certain unaffiliated institutional investors pursuant to which it offered and sold 13,700,000 common shares and warrants to purchase up to 13,700,000 common shares (the "January 12 Warrants") in a registered direct offering. In connection with this direct equity offering, which closed on January 12, 2021, the Company received gross and net cash proceeds of $26.0 million and $24.1 million, respectively.

The January 12 Warrants issued in the above offering had a term of five years and were exercisable immediately and throughout their term for $1.90 per common share (American style option). The exercise price of the January 12 Warrants was subject to appropriate adjustment in the event of certain stock dividends and distributions, stock splits, stock combinations, reclassifications or similar events affecting the Company's common shares and also upon any distributions of assets, including cash, stock or other property to existing shareholders.

As of February 10, 2021, all the January 12 Warrants had been exercised, and, pursuant to their exercise and the issuance by the Company of 13,700,000 common shares, the Company received gross and net proceeds of $26.0 million.

On initial recognition the fair value of the January 12 Warrants was $37.3 million and was determined using the Black-Scholes methodology. The fair value was considered by the Company to be classified as Level 3 in the fair value hierarchy since it was derived by unobservable inputs. The major unobservable input in connection with the valuation of the January 12 Warrants was the volatility used in the valuation model, which was approximated by using historical observations of the Company's share price. The annualized historical volatility that has been applied in the January 12 Warrants valuation was 152.1%. A 5% increase in the volatility applied would have led to an increase of 1.3% in the fair value of the January 12 Warrants.

2021 Third Registered Direct Equity Offering

On April 5, 2021, the Company entered into agreements with certain unaffiliated institutional investors pursuant to which it offered and sold 19,230,770 common shares and warrants to purchase up to 19,230,770 common shares (the "April 7 Warrants") in a registered direct offering. In connection with this direct equity offering, which closed on April 7, 2021, the Company received gross and net cash proceeds of approximately $125.0 million and $116.3 million, respectively.

The April 7 Warrants issued in the above offering have a term of five years and are exercisable immediately and throughout their term for $6.50 per common share (American style option). The exercise price of the April 7 Warrants is subject to appropriate adjustment in the event of certain stock dividends and distributions, stock splits, stock combinations, reclassifications or similar events affecting the Company's common shares and also upon any distributions of assets, including cash, stock or other property to existing shareholders.

Between their issuance date and December 31, 2022, there were no exercises of the April 7 Warrants and, as a result, as of December 31, 2022, 19,230,770 April 7 Warrants remained unexercised and potentially issuable into common stock of the Company.

On initial recognition the fair value of the April 7 Warrants was $106.6 million and was determined using the Black-Scholes methodology. The fair value was considered by the Company to be classified as Level 3 in the fair value hierarchy since it was derived by unobservable inputs. The major unobservable input in connection with the valuation of the April 7 Warrants was the volatility used in the valuation model, which was approximated by using historical observations of the Company's share price. The annualized historical volatility that has been applied in the April 7 Warrants valuation was 201.7%. A 5% increase in the volatility applied would have led to an increase of 0.7% in the fair value of the April 7 Warrants.

The Company accounted for the Class A Warrants, the Private Placement Warrants and the January 5, January 12 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.

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8. Equity Capital Structure (continued):

June 2021 at-the-market common stock offering program, as amended on March 31, 2022 (the "ATM Program")

On June 14, 2021 (the "ATM Program Effective Date"), the Company entered into an equity distribution agreement which was amended and restated on March 31, 2022 (the "Equity Distribution Agreement'). Under the Equity Distribution Agreement, which expired on June 14, 2022, the Company could, from time to time, offer and sell its common shares through an at-the-market offering (the "ATM Program"), having an aggregate offering price of up to $150.0 million. No warrants, derivatives, or other share classes were associated with this transaction. No sales have been effected under the ATM Program during the year ended December 31, 2022, whereas, during the year ended December 31, 2021, the Company issued and sold 4,654,240 shares, thereby raising gross and net proceeds (after deducting sales commissions and other fees and expenses) of $12.9 and $12.4 million, respectively.

Reverse Stock Split

On May 28, 2021, the Company effected a one-for-ten reverse stock split of its common stock without any change in the number of authorized common shares. All share and per share amounts, as well as 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 May 28, 2021, was decreased to 89,955,848 while the par value of the Company's common shares remained unchanged at $0.001 per share.

(b) Preferred Shares:

On September 22, 2017, Castor entered into a share exchange agreement (the "Exchange Agreement") with the shareholders of Spetses to acquire all of the outstanding common shares of Spetses in exchange for Castor issuing (i) 240,000 common shares proportionally to the then shareholders of Spetses, (ii) 12,000 Series B preferred shares to Thalassa, and (iii) 480,000 9.75% Series A cumulative redeemable perpetual preferred shares to the then shareholders of Spetses excluding Thalassa, all at par value of $0.001 (the "Series A Preferred Shares"). As the Exchange Agreement also involved the issuance of preferred shares, which were a new and additional class of shares, these have been recorded at fair value. The Company determined the fair value of the 9.75% Series A cumulative redeemable perpetual preferred shares to be $2.74 million as of September 22, 2017, the date of their issuance, and reflected the amount within Additional paid-in capital. The Series B preferred shares were deemed to have a fair value of zero as they have no rights to dividends, do not have redemption/call rights and do not have any redemption features or a liquidation preference.

Series A Preferred Shares redemption:

On December 8, 2021, the Company redeemed all its 480,000 Series A Preferred Shares, each with a cash liquidation preference of $30, resulting in an aggregate redemption price of $14.4 million. The Company considered the guidance under FASB ASC Topic 260-10-S99-2 for the Series A Preferred Shares redemption and, as a result, the difference between the carrying value and the fair value of the Series A Preferred Shares, amounting to $11.8 million, was recognized in retained earnings as a deemed dividend, and has been considered in the 2021 earnings per share calculations (Note 11).

As of December 31, 2021, there were no accumulated, due or overdue dividends on the Series A Preferred Shares, since, pursuant to the Series A Preferred Stock Amendment Agreement dated October 10, 2019, all dividend payment obligations on the Series A Preferred Shares during the period from July 1, 2019 until December 31, 2021, were waived.

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8. Equity Capital Structure (continued):

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.

9. Financial Instruments and Fair Value Disclosures:

The principal financial assets of the Company consist of cash at banks, restricted cash, trade accounts receivable 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) and long-term debt.

The following methods and assumptions were used to estimate the fair value of each class of financial instruments:

- **Cash and cash equivalents, restricted cash, accounts receivable trade, net, amounts due from/to related party/(ies) 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. The carrying value approximates the fair market value for interest bearing cash classified as restricted cash, non-current and is considered Level 1 item of the fair value hierarchy. The carrying value of these instruments is reflected in the accompanying consolidated balance sheets.

- **Long-term debt:** The secured credit facilities discussed in Note 7, have a recorded value which is a reasonable estimate of their fair value due to their variable interest rate and are thus considered Level 2 items in accordance with the fair value hierarchy as LIBOR and SOFR rates are observable at commonly quoted intervals for the full terms of the loans.

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.

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10. 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, 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' actions to the maximum limits as provided by Protection and Indemnity (P&I) Clubs, members of the International Group of P&I Clubs.

(a) Commitments under Contracts for BWTS Installation

As of December 31, 2022, it was estimated that the remaining contractual obligations related to BWTS installations on certain of the Company's vessels, excluding installation costs, were on aggregate approximately €1.4 million (or $1.5 million on the basis of a Euro/US Dollar exchange rate of €1.0000/$1.0675 as of December 31, 2022), of which €0.2 million (or $0.2 million) are due in 2023 and €1.2 million (or $1.3 million) are due in 2024. These costs will be capitalized and depreciated over the remainder of the life of each vessel.

(b) 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, 2022. Non-cancelable time charter contracts include both fixed-rate time charters or charters linked to the Baltic Dry Index ("BDI"). For index linked contracts, contracted lease payments have been calculated using the BDI linked rate as measured at the commencement date.

In addition, certain of the variable-rate contracts have the option at the Company's option to convert to a fixed rate for a predetermined period, in such cases where lease payments have been converted to a fixed rate, the minimum contracted lease payments for this period are calculated using the agreed converted fixed rate. The calculation does not include any assumed off-hire days.

Twelve-month period ending December 31,	**Amount**
2023	$ 81,496,819
2024	2,142,100
Total	**$ 83,638,919**

11. (Loss)/Earnings Per Common Share:

The Company calculates earnings/(loss) per common share by dividing net income/(loss) available to common shareholders in each period by the weighted-average number of common shares outstanding during that period, and, particularly for the year ended December 31, 2021, after also adjusting for the effect of the deemed dividend which resulted from the redemption of the Series A Preferred Shares on December 8, 2021. As further disclosed under Note 8, dividends on the Series A Preferred Shares did not accrue nor accumulate during the period from July 1, 2019 through their redemption date.

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11. (Loss)/Earnings Per Common Share (continued):

Diluted earnings/(loss) 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 year ended December 31, 2022, the effect of the (i) 62,344 Class A Warrants, (ii) 67,864 Private Placement Warrants and (iii) 19,230,770 April 7 Warrants outstanding during that period and as of that date, would be antidilutive, and, accordingly, they were excluded from the computation of diluted earnings per share. For the year ended December 31, 2021, the denominator of diluted earnings per common share calculation includes the incremental shares assumed issued under the treasury stock method weighted for the period the shares were outstanding with respect to warrants that were outstanding during the year ended December 31, 2021. Securities that could potentially dilute basic earnings per share for the year ended December 31, 2021, that were excluded from the computation of diluted earnings per share because to do so would have been antidilutive, were the unexercised, as of December 31, 2021, April 7 Warrants, calculated in accordance with the treasury stock method. For the year ended December 31, 2020, the Company incurred losses and the effect of the warrants outstanding during that period and as of that date, would be antidilutive. As a result of the foregoing, for the years ended December 31, 2020, and December 31, 2022, "Basic (loss)/earnings per common share" equaled "Diluted (loss)/earnings per common share". The components of the calculation of basic and diluted earnings/(loss) per common share in each of the periods comprising the accompanying consolidated statements of comprehensive (loss)/income are as follows:

	Year ended December 31, 2020	Year ended December 31, 2021	Year ended December 31, 2022
Net (loss)/income and comprehensive (loss)/income	**$ (1,753,533)**	**$ 52,270,487**	**$ 118,560,690**
Less: Deemed dividend on Series A Preferred Shares	—	(11,772,157)	—
Net (loss)/income and comprehensive (loss)/income available to common shareholders	**(1,753,533)**	**40,498,330**	**118,560,690**
Weighted average number of common shares outstanding, basic	6,773,519	83,923,435	94,610,088
(Loss)/Earnings per common share, basic	**(0.26)**	**0.48**	**1.25**
Plus: Dilutive effect of warrants	—	1,409,293	—
Weighted average number of common shares outstanding, diluted	6,773,519	85,332,728	94,610,088
(Loss)/Earnings per common share, diluted	**$ (0.26)**	**$ 0.47**	**$ 1.25**

12. Total Vessel Revenues:

The following table includes the voyage revenues earned by the Company by type of contract (time charters, voyage charters and pool agreements) in each of the years ended December 31, 2020, 2021, and 2022, as presented in the accompanying consolidated statements of comprehensive (loss)/income:

	Year ended December 31, 2020	Year ended December 31, 2021	Year ended December 31, 2022
Time charter revenues	12,487,692	111,900,699	163,872,159
Voyage charter revenues	—	15,002,012	51,805,097
Pool revenues	—	5,146,999	46,424,742
Total Vessel revenues	**$ 12,487,692**	**$ 132,049,710**	**$ 262,101,998**

The Company generates its revenues from time charters, voyage contracts and pool arrangements.

The Company typically enters into fixed rate or index-linked rate 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.

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12. Total Vessel Revenues (continued):

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.

Vessels are also chartered under voyage charters, where a contract is made for the use of a vessel under which the Company is paid freight 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 vessel's voyage.

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. 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 characteristics such as cargo carrying capacity, speed, fuel consumption, design characteristics and the trading capabilities/restrictions of each vessel.

As of December 31, 2022, and December 31, 2021, trade accounts receivable, net, related to voyage charters, amounted to $2,462,714 and $3,046,863, respectively. This decrease by $584,149 trade accounts receivable, net was mainly attributable to the timing of collections.

As of December 31, 2021, and December 31, 2022, deferred assets related to voyage charters amounted to $25,335 and $0, respectively, and are presented under 'Deferred charges' (Current) in the accompanying consolidated balance sheets. This change was mainly attributable to the timing of commencement of revenue recognition. The unamortized portion of deferred assets as of December 31, 2021, amounting to $25,335 was recognized as revenue in the first quarter of 2022.

13. Vessel Operating Expenses and Voyage Expenses:

The amounts in the accompanying consolidated statements of comprehensive (loss)/income are analyzed as follows:

Vessel Operating Expenses	**Year ended December 31, 2020**	**Year ended December 31, 2021**	**Year ended December 31, 2022**
Crew & crew related costs	3,753,578	21,532,311	33,882,972
Repairs & maintenance, spares, stores, classification, chemicals & gases, paints, victualling	2,314,260	9,828,139	16,182,372
Lubricants	429,967	2,375,901	3,534,957
Insurances	507,885	3,126,169	4,721,191
Tonnage taxes	131,674	592,701	1,228,678
Other	310,075	1,748,250	3,417,674
Total Vessel operating expenses	**$ 7,447,439**	**$ 39,203,471**	**$ 62,967,844**

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

Voyage expenses	**Year ended December 31, 2020**	**Year ended December 31, 2021**	**Year ended December 31, 2022**
Brokerage commissions	158,538	1,733,639	3,504,453
Brokerage commissions- related party	29,769	1,671,145	3,381,564
Port & other expenses	173,645	4,520,584	6,652,844
Bunkers consumption	321,252	7,742,450	23,143,236
Gain on bunkers	(98,499)	(2,717,035)	(3,641,407)
Total Voyage expenses	**$ 584,705**	**$ 12,950,783**	**$ 33,040,690**

14. General and Administrative Expenses:

General and administrative expenses are analyzed as follows:

	Year ended December 31, 2020	**Year ended December 31, 2021**	**Year ended December 31, 2022**
Chief Executive and Chief Financial Officer and directors' compensation	$ 29,000	$ 48,000	$ 72,000
Professional fees and other expenses	701,953	2,018,310	4,871,937
Administration fees-related party (Note 3(a))	400,000	1,200,000	2,100,000
Total	**$ 1,130,953**	**$ 3,266,310**	**$ 7,043,937**

The Chief Executive Officer and Chief Financial Officer compensation was terminated on October 1, 2020, and, subsequent to this date, all services rendered by the Company's Chief Executive Officer and Chief Financial Officer are included in its Master Agreement with Castor Ships (see Note 3(a)).

15. Interest and Finance Costs:

The amounts in the accompanying consolidated balance sheets are analyzed as follows:

	Year ended December 31, 2020	**Year ended December 31, 2021**	**Year ended December 31, 2022**
Interest on long-term debt	$ 668,152	$ 2,028,676	$ 7,535,258
Interest on long-term debt – related party (Note 3 (c))	305,000	204,167	—
Interest on convertible debt – non cash	57,773	—	—
Amortization and write-off of deferred finance charges	599,087	414,629	850,244
Amortization and write-off of convertible notes beneficial conversion features	532,437	—	—
Other finance charges	27,128	207,526	198,552
Total	**$ 2,189,577**	**$ 2,854,998**	**$ 8,584,054**

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CASTOR MARITIME INC.
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16. Income Taxes:

Castor and its subsidiaries are incorporated under the laws of the Republic of the Marshall Islands and they 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/(loss).

Pursuant to §883 of the Internal Revenue Code of the United States (the "Code"), U.S. source income from the international operation of ships is generally exempt from U.S. Federal income tax on such income if the company meets the following requirements: (a) the company is organized in a foreign country that grants an equivalent exception to corporations organized in the U. S. and (b) either (i) more than 50 percent of the value of the company's stock is owned, directly or indirectly, by individuals who are "residents" of the company's country of organization or of another foreign country that grants an "equivalent exemption" to corporations organized in the U.S. (the "50% Ownership Test") or (ii) the company's stock is "primarily and regularly traded on an established securities market" in its country of organization, in another country that grants an "equivalent exemption" to U.S. corporations, or in the U.S. (the "Publicly-Traded Test"). Marshall Islands, the jurisdiction where the Company and its ship-owning subsidiaries are incorporated, grants an equivalent exemption to United States corporations. Therefore, the Company is exempt from United States federal income taxation with respect to U.S.-source shipping income if either the 50% Ownership Test or the Publicly Traded Test is met.

In the Company's case, it expects that it would have satisfied the Publicly-Traded Test if its common shares represented more than 50% of the voting power of its stock, and it can establish that nonqualified shareholders cannot exercise voting control over the corporation because a qualified shareholder controls the non-traded voting stock. The Company therefore 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 2021. It will be disclosed again when the Company files its U.S. tax returns for 2022.

Because the position stated above is uncertain, the Company has recorded provisions of $497,339 and $1,348,850 for U.S. source gross transportation income tax in the accompanying consolidated statements of comprehensive (loss)/income for the years ended December 31, 2021 and December 31, 2022, respectively. In addition, U.S. source gross transportation income taxes of $21,640 were recognized in its consolidated statement of comprehensive loss for the year ended December 31, 2020.

17. Segment Information:

In late 2022, the Company acquired two containerships for the first time. As a result of the different characteristics of the containerships acquired in relation to the Company's other three operating segments, the Company determined that, with effect from the fourth quarter of 2022, it operated in four reportable segments: (i) dry bulk, (ii) Aframax/LR2 tanker, (iii) Handysize tanker and (iv) containerships. The reportable segments reflect the internal organization of the Company and the way the chief operating decision maker reviews the operating results and allocates capital within the Company. In addition, the transport of dry cargo commodities, which are carried by dry bulk vessels, has different characteristics to the transport of crude oil (carried by Aframax/LR2 tankers) and differs again from the transport of oil products (carried by Handysize tanker vessels) and the transport of containerized products (carried by containerships). Further, dry bulk vessels trade on different types of charter contracts as compared to tanker vessels, predominantly being employed in the time charter market, whereas our tanker vessels participate predominantly in pools, as well as in the voyage charter market. The transportation of crude oil also has different characteristics to the transportation of oil products in terms of trading routes and cargo handling. In addition, the transportation of containerized goods, the nature of trade, as well as the trading routes, charterers and cargo handling, is different from the other three segments.

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17. Segment Information (continued):

The table below presents information about the Company's reportable segments as of and for the year ended December 31, 2020, when the Company had one reportable segment, and for the years ended December 31, 2021 and 2022, when the Company had more than one reportable segments. 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/ (loss) from operations.

	Year ended December 31, 2020	Year ended December 31, 2021				Year ended December 31, 2022				
	Dry bulk segment	Dry bulk segment	Aframax/LR2 tanker segment	Handysize tanker segment	Total	Dry bulk segment	Aframax/LR2 tanker segment	Handysize tanker segment	Container ship segment	Total
- Time charter revenues	$ 12,487,692	$ 102,785,442	$ 9,115,257	$ —	$ 111,900,699	$ 148,930,997	$ 13,656,029	$ —	$ 1,285,133	$ 163,872,159
- Voyage charter revenues	—	—	15,002,012	—	15,002,012	—	51,805,097	—	—	51,805,097
- Pool revenues	—	—	2,442,144	2,704,855	5,146,999	—	30,787,089	15,637,653	—	46,424,742
Total vessel revenues	**$ 12,487,692**	**$102,785,442**	**$ 26,559,413**	**$ 2,704,855**	**$132,049,710**	**$148,930,997**	**$ 96,248,215**	**$15,637,653**	**$1,285,133**	**$262,101,998**
Voyage expenses (including charges from related party)	(584,705)	(1,891,265)	(11,003,925)	(55,593)	(12,950,783)	(3,649,943)	(29,100,348)	(219,066)	(71,333)	(33,040,690)
Vessel operating expenses	(7,447,439)	(26,841,600)	(9,776,724)	(2,585,147)	(39,203,471)	(40,697,898)	(17,386,009)	(4,322,281)	(561,656)	(62,967,844)
Management fees to related parties	(930,500)	(4,890,900)	(1,433,950)	(419,900)	(6,744,750)	(6,481,000)	(2,167,000)	(666,500)	(81,400)	(9,395,900)
Depreciation and amortization	(1,904,963)	(10,528,711)	(3,087,764)	(746,353)	(14,362,828)	(18,039,966)	(5,889,352)	(1,405,124)	(495,271)	(25,829,713)
Provision for doubtful accounts	(37,103)	(2,483)	—	—	(2,483)	—	(266,732)	—	—	(266,732)
Gain on sale of vessel	—	—	—	—	—	—	3,222,631	—	—	3,222,631
Segments operating income/ (loss)	**$ 1,582,982**	**$ 58,630,483**	**$ 1,257,050**	**$(1,102,138)**	**$ 58,785,395**	**$ 80,062,190**	**$ 44,661,405**	**$ 9,024,682**	**$ 75,473**	**$133,823,750**
Interest and finance costs	(810,317)				(2,631,318)					(8,545,149)
Interest income	9,387				11,651					1,485,368
Foreign exchange (losses)/gains	(28,455)				31,325					99,134
Less: Unallocated corporate general and administrative expenses	(1,130,953)				(3,266,310)					(7,043,937)
Less: Corporate Interest and finance costs	(1,379,260)				(223,680)					(38,905)
Less: Corporate Interest income	25,589				63,472					72,735
Less: Corporate exchange (losses)/ gains	(866)				(2,709)					4,566
Dividend on equity securities	—				—					24,528
Profit from equity securities	—				—					27,450
Net (loss)/income and comprehensive (loss)/income, before taxes	**$ (1,731,893)**				**$ 52,767,826**					**$119,909,540**

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17. Segment Information (continued):

A reconciliation of total segment assets to total assets presented in the accompanying consolidated balance sheets of December 31, 2021, and 2022, is as follows:

	Year Ended December 31, 2021	Year Ended December 31, 2022
Dry bulk segment	$ 314,407,704	$ 339,599,683
Aframax tanker segment	104,953,507	134,093,678
Handysize tanker segment	19,093,379	23,385,458
Containership segment	—	52,850,927
Cash and cash equivalents [(1)]	23,950,795	82,336,406
Prepaid expenses and other assets [(1)]	508,057	654,796
Total consolidated assets	**$ 462,913,442**	**$ 632,920,948**

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

18. Subsequent Events:

Completion of the Spin-Off: On March 7, 2023, the Company completed the spin-off of its wholly owned subsidiary, Toro. On that day, the Company distributed all of the Toro common shares outstanding to its holders of common stock 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. As part of the Spin-Off, Toro entered into various other agreements effecting the separation of Toro's business from the Company including a master management agreement with Castor Ships with respect to its vessels in substantially the same form as the Company's Master Management Agreement for its vessels and 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 retains 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 the $18.0 Million Term Loan Facility. 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.

Exhibit 2.2

DESCRIPTION OF THE REGISTRANT'S SECURITIES REGISTERED PURSUANT TO SECTION 12 OF THE SECURITIES EXCHANGE ACT OF 1934

As of the date of the annual report to which this exhibit is being filed, Castor Maritime Inc. (the "Company") had two classes of securities registered under Section 12 of the Securities Exchange Act of 1934, as amended:

(1) Common shares, par value $0.001 per share (the "common shares"); and

(2) Preferred Share Purchase Rights under the Rights Agreement, as defined below (a "Right" or the "Rights").

The following description sets forth certain material provisions of these securities. The following summary does not purport to be complete and is subject to, and is qualified in its entirety by reference to, the applicable provisions of (i) the Company's Articles of Incorporation, as amended (the "Articles of Incorporation"), (ii) the Company's Bylaws (the "Bylaws"), and (iii) the Stockholders Rights Agreement dated as of November 20, 2017, by and between the Company and American Stock Transfer & Trust Company, LLC, as rights agent (the "Rights Agreement"), each of which is an exhibit to the annual report on Form 20-F for the fiscal year ended December 31, 2022 ("Annual Report") of which this Exhibit is a part. We encourage you to refer to our Articles of Incorporation, Bylaws and the Rights Agreement for additional information.

Capitalized terms used but not defined herein have the meanings given to them in our Annual Report.

OUR SHARE CAPITAL

Under our Articles of Incorporation our authorized capital stock consists of 2,000,000,000 registered shares, of which 1,950,000,000 are designated as common shares, par value $0.001 per share, and 50,000,000 are designated as preferred shares, par value $0.001 per share. As of December 31, 2021, we had issued and outstanding 94,610,088 common shares and 12,000 Series B Preferred Shares. As of such date, we also had 1,000,000 authorized (but no outstanding) Series C Participating Preferred Shares. Our common shares are listed on the NASDAQ under the symbol "CTRM" and on the Norwegian OTC under the symbol "CASTOR".

Any amendment to our Articles of Incorporation to alter our capital structure requires approval by an affirmative majority of the voting power of the total number of shares issued and outstanding and entitled to vote thereon. Shareholders of any series or class of shares are entitled to vote upon any proposed amendment, whether or not entitled to vote thereon by the Articles of Incorporation, if such amendment would alter the rights of their shares so as to adversely affect them.

DESCRIPTION OF COMMON SHARES

Holders of common shares do not have conversion, sinking fund, redemption or pre-emptive rights to subscribe to any of our securities. There are no restrictions under Marshall Islands law on the transferability of our common shares. The rights, preferences and privileges of holders of our common shares are subject to the rights of the holders of any preferred shares, which we have issued in the past or which we may issue in the future.

Voting Rights

Each outstanding common share entitles the holder to one (1) vote on all matters submitted to a vote of shareholders. Our directors are elected by a plurality of the votes cast by shareholders entitled to vote and serve for three-year terms. There is no provision for cumulative voting. Our common shares and Series B Preferred Shares vote together as a class on most matters submitted to a vote of shareholders of the Company, though our Articles of Incorporation provide for a separate vote of the Series B Preferred Shares for certain matters adversely impacting such shares rights and preferences. Series B Preferred Shares have one hundred thousand (100,000) votes per share and currently have a controlling vote over the various matters put to a vote of the Company's shareholders. The voting power of the Series B Preferred Shares is subject to adjustment to maintain a substantially identical voting interest in the Company following the (i) creation or issuance of a new series of shares of the Company carrying more than one vote per share to be issued to any person other than holders of the Series B Preferred Shares, except for the creation (but not the issuance) of Series C Participating Preferred Shares, without the prior affirmative vote of a majority of votes cast by the holders of the Series B Preferred Shares or (ii) issuance or approval of common shares pursuant to and in accordance with the Rights Agreement.

Dividend Rights

Subject to preferences that may be applicable to any outstanding preferred shares, holders of common shares are entitled to receive ratably all dividends, if any, declared by our Board out of funds legally available for dividends.

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, if any, the holders of our common shares are entitled to receive pro rata our remaining assets available for distribution.

Limitations on Ownership

Under Marshall Islands law generally and our Articles of Incorporation, there are no limitations on the right of persons who are not citizens or residents of the Marshall Islands to hold or vote our common shares.

DESCRIPTION OF THE RIGHTS UNDER THE STOCKHOLDERS RIGHTS AGREEMENT

Preferred Shares and the Rights

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

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

On November 20, 2017, we entered into the Rights Agreement and our Board declared a dividend of one Right for each outstanding common share outstanding on November 21, 2017.

The Rights. The Rights trade with, and are inseparable from, our common shares. The Rights are evidenced by the certificates that represent our common shares registered in the names of the holders thereof or, in the case of uncertificated shares of our common shares registered in book-entry form. New Rights will accompany any new common shares of the Company issued after November 21, 2017 until the Distribution Date described below. As of December 31, 2021, we had 94,610,088 Rights issued and outstanding in connection with our outstanding common shares.

Exercise Price. Each Right allows its holder to purchase from the Company one one-thousandth (1/1,000) of a share of Series C Participating Preferred Stock (a "Series C Preferred Share"), for $150.00 (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.

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**
Shareholder Meetings	
May be held at a time and place as designated in the bylaws.	May be held at such time or place as designated in the certificate of incorporation or the bylaws, or if not so designated, as determined by the board of directors.
***Notice*:**	***Notice*:**
Whenever shareholders are required to take any action at a meeting, written notice of the meeting shall be given which shall state the place, date and hour of the meeting and, unless it is an annual meeting, indicate that it is being issued by or at the direction of the person calling the meeting. Notice of a special meeting shall also state the purpose for which the meeting is called.	Whenever shareholders are required to take any action at a meeting, a written notice of the meeting shall be given which shall state the place, if any, date and hour of the meeting, and the means of remote communication, if any.

Marshall Islands	Delaware
A copy of the notice of any meeting shall be given personally, sent by mail or by electronic mail not less than 15 nor more than 60 days before the meeting.	Written notice shall be given not less than 10 nor more than 60 days before the meeting.

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 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.
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. Authorization by a majority vote of the holders of a class of shares may be required if such class is entitled to vote if a proposed amendment to the articles, undertaken in connection with such merger or consolidation, would increase or decrease the aggregate number of authorized shares of such class, increase or decrease the par value of the shares of such class, or alter or change the powers, preferences or special rights of the shares of such class so as to affect them adversely.	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. Authorization by a majority vote of the holders of a class of shares may be required if such class is entitled to vote if a proposed amendment to the articles, undertaken in connection with such merger or consolidation, would increase or decrease the aggregate number of authorized shares of such class, increase or decrease the par value of the shares of such class, or alter or change the powers, preferences, or special rights of the shares of such class so as to affect them adversely. However, unless expressly required by its certificate of incorporation, no vote of stockholders of a constituent corporation that has a class or series of stock that is listed on a national securities exchange or held of record by more than 2,000 holders immediately prior to the execution of the agreement of merger by such constituent corporation shall be necessary to authorize a merger that meets certain conditions.

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.

Director	
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. Shareholders entitled to vote upon amendments to the bylaws hold the power to adopt, amend or repeal bylaws in a stock corporation that has received any payment for its stock, unless such power is otherwise conferred upon the director's in the certificate of incorporation. An amendment to the certification of incorporation must be approved by the board and a majority of outstanding stock entitled to vote thereon.
***Removal*:**	***Removal*:**
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.
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.	Shareholders do not have appraisal rights due to an amendment of the company's certificate of incorporation unless provided for in such certificate.

Exhibit 4.2

AMENDED AND RESTATED STATEMENT OF DESIGNATION OF RIGHTS, PREFERENCES AND PRIVILEGES OF THE SERIES B PREFERRED SHARES OF CASTOR MARITIME INC.

CASTOR MARITIME INC., a corporation organized and existing under the Business Corporations Act (the "**BCA**") of the Republic of the Marshall Islands (the "**Company**"), in accordance with the provisions of Section 35 thereof and the Articles of Incorporation of the Company (the "**Articles**"), does hereby certify:

Pursuant to the authority vested in the Board of Directors of the Company (the "**Board**"), and in accordance with the provisions of Section 35 of the BCA and the Articles, the Board has adopted the following resolution amending and restating certain terms, powers, preferences and other rights of the series of preferred shares of the Company, designated as "**Series B Preferred Shares**", and certain qualifications, limitations and restrictions thereon. Capitalized terms shall have the same meaning as in the Articles, unless otherwise specified in this Statement of Designation or unless the context otherwise requires.

RESOLVED, that pursuant to the authority vested in the Board by the Articles and Section 35 of the BCA, the Board hereby amends and restates the Statement of Designation of Rights, Preferences and Privileges establishing a series of Preferred Shares, par value $0.001 per share, of the Company and hereby sets forth the designation and number of shares of such series, and the voting and other powers, preferences and relative, participating, optional or special rights and qualifications, limitations and restrictions thereof, of the shares of such series, are as follows:

Section 1. Designation and Amount. The shares of this series shall be designated as "Series B Preferred Shares" (hereinafter, called "**this Series**"). Shares of this Series shall have a par value of $0.001 per share, and the number of shares constituting this Series shall initially be twelve thousand (12,000), which number the Board may from time to time increase or decrease (but not below the number then outstanding).

Section 2. Adjustments. In the event the Company shall at any time after the issuance of any shares of this Series (i) declare any dividend on the common shares of the Company par value $0.001 per share (the "**Common Shares**"), payable in Common Shares, (ii) subdivide the outstanding Common Shares or (iii) combine the outstanding Common Shares into a smaller number of shares, then in each such case there shall be no adjustment to the number of outstanding shares of this Series.

Section 3. Voting Rights. Holders of shares of this Series shall have the following voting rights:

(a) Each share of this Series shall entitle its holder to one hundred thousand (100,000) votes on all matters submitted to a vote of the shareholders of the Company, provided, however that in the event the Company shall at any time after the issuance of any shares of this Series:

(i) approve the creation or issuance of shares of the Company carrying more than one vote per share to be issued to any person other than holders of shares of this Series (including, without limitation, by creating a new series of shares of the Company or amending the rights, preferences, privileges and voting powers of shares of the Company existing as of the date hereof) without the prior affirmative vote of a majority of votes cast by holders of shares of this Series, except for the creation (but not the issuance) of Series C Participating Preferred Stock of the Company; or

(ii) issue or approve the issuance of Common Shares pursuant to and in accordance with the Company's Stockholders Rights Agreement entered into between the Company and American Stock Transfer & Trust Company, LLC on November 20, 2017,

then in each such case, the voting powers of shares of this Series shall be adjusted concurrently, to the extent necessary, such that holders of shares of this Series shall maintain a substantially identical interest in the Company, including, without limitation, with respect to each such holder's voting interest, as it does in the Company immediately prior to such event. The Board shall implement, or cause to be implemented, the foregoing in the manner provided herein and shall promptly notify each holder of shares of this Series in writing of the voting power conferred by its shares as determined in accordance with the foregoing after the calculations with respect to any such adjustment have been completed.

(b) Subject to Section 3(a), each share of this Series shall count for one hundred thousand (100,000) votes for purposes of determining quorum at a meeting of shareholders of the Company.

(c) Except as otherwise provided herein, by law or in the Articles, holders of shares of this Series and holders of the Common Shares shall vote together as one class on all matters submitted to a vote of shareholders of the Company.

(d) Except as otherwise provided herein, in the Articles or as required by law, holders of shares of this Series shall have no special voting rights and their consent shall not be required (except to the extent they are entitled to vote with holders of the Common Shares as set forth herein) for taking any corporate action.

Section 4. Dividends and Distributions. So long as any shares of this Series are outstanding, if the Company declares or makes any dividend or other distribution of voting securities of a subsidiary of the Company which the Company controls to holders of Common Shares by way of a spin off or other similar transaction (a "**Distribution**"), then, in each such case, each holder of record of shares of this Series, as of the record date fixed by the Board for the determination of shareholders entitled to participate in such Distribution, shall be entitled to participate in such Distribution and receive preferred shares of the subsidiary whose voting securities are so distributed with at least substantially identical rights, preferences, privileges and voting powers, and limitations and restrictions as shares of this Series, such that each holder of shares of this Series shall maintain at least a substantially identical interest in such subsidiary, including, without limitation, with respect to such holder's voting interest, as it does in the Company immediately prior to such Distribution. Subject to the foregoing and Section 5, shares of this Series shall have no other dividend or distribution rights.

Section 5. Liquidation, Dissolution or Winding Up. Upon any liquidation, dissolution or winding up of the Company, shares of this Series shall be entitled to receive a payment on the same terms as and rank *pari-passu* with the Common Shares with respect thereto, up to an amount equal to the par value of $0.001 per share of this Series. Holders of shares of this Series will have no other rights to distributions upon any liquidation, dissolution or winding up of the Company.

Section 6. Consolidation, Merger, etc. In the event of (a) a binding share exchange or reclassification involving shares of this Series, (b) a merger or consolidation of the Company with or into another corporation or other entity, or (c) a business combination involving the Company, which in each case has not been approved by the prior affirmative vote of a majority of votes cast by holders of shares of this Series, either (x) the shares of this Series shall remain outstanding, or (y) in the case of any such transaction specified in prong (a), (b) or (c) of this Section 6, with respect to which the Company is not the surviving or resulting entity, shares of this Series shall be converted into or exchanged for preferred securities of the surviving or resulting entity or its ultimate parent, and in case of both (x) and (y), such shares remaining outstanding or such preferred securities, as the case may be, shall have such rights, preferences, privileges and voting powers, and limitations and restrictions, taken as a whole, as are not materially less favorable to the holders thereof than the rights, preferences, privileges and voting powers, and limitations and restrictions, of shares of this Series immediately prior to such consummation, taken as a whole (including, without limitation, with respect to their voting interest); provided, however, that for all purposes of this Section 6, any increase in the authorized number of preferred shares, including any increase in the authorized number of shares of this Series, will not be deemed to adversely affect the rights, preferences, privileges or voting powers of the holders of shares of this Series, and provided, further, that in the event any of transaction specified in prong (a), (b) or (c) of this Section 6 has been approved by the prior affirmative vote of a majority of votes cast by holders of shares of this Series, shares of this Series shall, upon the consummation of such transaction, receive cash/and or any other property up to an amount equal to the par value of $0.001 per share of this Series.

Section 7. No Redemption. The shares of this Series shall not be redeemable.

Section 8. Amendment. So long as any shares of this Series are outstanding, neither this Statement of Designation nor the Articles shall be amended in any manner which would materially alter or change the powers, preferences or special rights of the shares of this Series so as to affect them adversely without the prior affirmative vote of the holders of a majority of the outstanding shares of this Series, voting separately as a class.

Section 9. Reacquired Shares. Any shares of this Series purchased by the Company shall be cancelled and shall revert to authorized but unissued preferred shares undesignated as to series and may be reissued as part of a new series of preferred shares to be created by resolution or resolutions of the Board, subject to the conditions set forth in the Articles.

Section 10. Fractional Shares. Shares of this Series may not be issued in fractional shares.

Section 11. Notices. Any notice to be delivered hereunder shall be delivered (via overnight courier, facsimile or email) to each holder at its last address as it shall appear upon the books and records of the Company at least ten (10) calendar days prior to the applicable record or effective date thereinafter specified.

Section 12. Severability. If any provision of this Certificate of Designation is invalid, illegal or unenforceable, the balance of this Certificate of Designation shall remain in effect, and if any provision is inapplicable to any Person or circumstance, it shall nevertheless remain applicable to all other Persons and circumstances.

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IN WITNESS WHEREOF, the undersigned, being duly authorized thereto, does hereby affirm that this certificate is the act and deed of the Company and that the facts herein stated are true, and accordingly has hereunto set his hand this day of , .

By: _____
Name:
Title:

Exhibit 4.11

Dated _____ 2022

$22,500,000

TERM LOAN FACILITY

JERRY SHIPPING CO.
TOM SHIPPING CO.
as joint and several Borrowers

and

CASTOR MARITIME INC.
as Corporate Guarantor

and

CHAILEASE INTERNATIONAL FINANCIAL SERVICES (SINGAPORE) PTE. LTD.
as Lender

FACILITY AGREEMENT

relating to
the financing of m.vs. "ARIANA A"
and "GABRIELA A"

WATSON FARLEY
&
WILLIAMS

Index

THIS AGREEMENT is made on _____ 2022

PARTIES

(1) **JERRY SHIPPING CO.**, a corporation incorporated in the Republic of the Marshall Islands whose registered address is at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH96960 as borrower ("**Borrower A**")

(2) **TOM SHIPPING CO.**, a corporation incorporated in the Republic of the Marshall Islands whose registered address is at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH96960 as borrower ("**Borrower B**")

(3) **CASTOR MARITIME INC.**, a corporation incorporated in the Republic of the Marshall Islands whose registered address is at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH96960 (the "**Corporate Guarantor**")

(4) **THE FINANCIAL INSTITUTION** listed in Part B of Schedule 1 (*The Parties*) as Lender (the "**Original Lender**")

BACKGROUND

The Lender has agreed to make available to the Borrowers a secured term loan facility in an aggregate amount of $22,500,000, in two Tranches, for the purpose of financing the Ships.

OPERATIVE PROVISIONS

SECTION 1

INTERPRETATION

1 DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Agreement:

"**Account Bank**" means Joh. Berenberg, Gossler & Co. KG acting through its office at [●] or any replacement bank or other financial institution as may be approved by the Lender (such approval not to be unreasonably withheld or delayed).

"**Advance**" means a borrowing of all or part of a Tranche under this Agreement.

"**Affiliate**" means, in relation to any person, a Subsidiary of that person or a Holding Company of that person or any other Subsidiary of that Holding Company.

"**Approved Brokers**" means any firm or firms of insurance brokers approved in writing by the Lender.

"**Approved Classification**" means, in relation to a Ship, as at the date of this Agreement, the classification in relation to that Ship specified in Schedule 4 (*Details of the Ships*) with the relevant Approved Classification Society or the equivalent classification with another Approved Classification Society.

"**Approved Classification Society**" means in relation to a Ship, as at the date of this Agreement, the classification society in relation to that Ship specified in Schedule 4 (*Details of the Ships*) or any other classification society approved in writing by the Lender and which is a member of the International Association of Classification Societies (such approval not to be unreasonably withheld or delayed).

"**Approved Flag**" means, in relation to a Ship, as at the date of this Agreement, the flag in relation to that Ship specified in Schedule 4 (*Details of the Ships*) or such other flag approved in writing by the Lender.

"**Approved Manager**" means, in relation to a Ship, as at the date of this Agreement, Castor Ships S.A., a corporation incorporated in the Republic of the Marshall Islands whose registered address is at Trust Company Complex, [●] as the commercial and technical manager of that Ship or any other person approved in writing by the Lender (such approval not to be unreasonably withheld or delayed) as the commercial and/or technical manager of that Ship.

"**Approved Valuer**" means any firm or firms of independent sale and purchase shipbrokers approved in writing by the Lender and acceptable by the Borrowers.

"**Authorisation**" means an authorisation, consent, approval, resolution, licence, exemption, filing, notarisation, legalisation or registration.

"**Availability Period**" means the period from and including the date of this Agreement to and including (a) in respect of Tranche A, 30 November 2022 and (b) in respect of Tranche B, 16 December 2022.

"**Available Facility**" means the Commitment minus:

(a) the amount of the outstanding Loan; and

(b) in relation to any proposed Utilisation, the amount of the Loan that is due to be made on or before the proposed Utilisation Date.

"**Borrower**" means Borrower A or Borrower B and, in the plural means, both of them.

"**Break Costs**" means the amount (if any) by which:

(a) the interest which the Lender should have received for the period from the date of receipt of all or any part of the Loan or an Unpaid Sum to the last day of the current Interest Period in relation to the Loan, the relevant part of the Loan or that Unpaid Sum, had the principal amount or Unpaid Sum received been paid on the last day of that Interest Period;

exceeds

(b) the amount which the Lender would be able to obtain by placing an amount equal to the principal amount or Unpaid Sum received by it on deposit with a leading bank in the Relevant Market for a period starting on the Business Day following receipt or recovery and ending on the last day of the current Interest Period.

"**Business Day**" means a day (other than a Saturday or Sunday) on which banks are open for general business in London, Hamburg, New York, Taiwan, Athens and Singapore and (in relation to the fixing of an interest rate) which is a US Government Securities Business Day.

"Charter" means, in relation to a Ship, any charter relating to that Ship, or other contract for its employment, whether or not already in existence and, including for the avoidance of doubt, an Initial Charter.

"**Charter Guarantee**" means any guarantee, bond, letter of credit or other instrument (whether or not already issued) supporting a Charter.

"**Code**" means the US Internal Revenue Code of 1986.

"**Commitment**" means the amount specified in Clause 2 (*The Facility*) and Clause 5.3 (*Currency and amount*), to the extent not cancelled or reduced under this Agreement.

"**Confidential Information**" means all information relating to any Transaction Obligor, the Group, the Finance Documents or the Facility of which the Lender becomes aware in its capacity as, or for the purpose of becoming, the Lender or which is received by the Lender in relation to, or for the purpose of becoming the Lender under, the Finance Documents or the Facility from any member of the Group or any of its advisers in whatever form, and includes information given orally and any document, electronic file or any other way of representing or recording information which contains or is derived or copied from such information but excludes:

(a) information that:

(i) is or becomes public information other than as a direct or indirect result of any breach by the Lender of Clause 40 (*Confidential Information*);

(ii) is identified in writing at the time of delivery as non-confidential by any member of the Group or any of its advisers; or

(iii) is known by the Lender before the date the information is disclosed to it by any member of the Group or any of its advisers or is lawfully obtained by the Lender after that date, from a source which is, as far as the Lender is aware, unconnected with the Group and which, in either case, as far as the Lender is aware, has not been obtained in breach of, and is not otherwise subject to, any obligation of confidentiality; and

(b) any Funding Rate.

"**Confidentiality Undertaking**" means a confidentiality undertaking in substantially the appropriate form recommended by the LMA from time to time or in any other form agreed between the Borrowers and the Lender.

"**Co-Assured's Undertaking**" means the letter of undertaking by any company, corporation or other person named as co-assured under the Insurances subordinating the rights of that co-assured against a Ship and a Borrower to the rights of the Lender in agreed form.

"**Default**" means an Event of Default or a Potential Event of Default.

"**Delegate**" means any delegate, agent, attorney or co-trustee appointed by the Lender.

"**Disruption Event**" means either or both of:

(a) a material disruption to those payment or communications systems or to those financial markets which are, in each case, required to operate in order for payments to be made in connection with the Facility (or otherwise in order for the transactions contemplated by the Finance Documents to be carried out) which disruption is not caused by, and is beyond the control of, any of the Parties or, if applicable, any Transaction Obligor; or

(b) the occurrence of any other event which results in a disruption (of a technical or systems-related nature) to the treasury or payments operations of a Party or, if applicable, any Transaction Obligor preventing that, or any other, Party or, if applicable, any Transaction Obligor:

(i) from performing its payment obligations under the Finance Documents; or

(ii) from communicating with other Parties or, if applicable, any Transaction Obligor in accordance with the terms of the Finance Documents,

and which (in either such case) is not caused by, and is beyond the control of, the Party or, if applicable, any Transaction Obligor whose operations are disrupted.

"**Document of Compliance**" has the meaning given to it in the ISM Code.

"**dollars**" and "**$**" mean the lawful currency, for the time being, of the United States of America.

"**Earnings**" means, in relation to a Ship, all moneys whatsoever which are now, or later become, payable (actually or contingently) to a Borrower or the Lender and which arise out of or in connection with or relate to the use or operation of that Ship, including (but not limited to):

(a) the following, save to the extent that any of them is, with the prior written consent of the Lender, pooled or shared with any other person:

(i) all freight, hire and passage moneys including, without limitation, all moneys payable under, arising out of or in connection with a Charter or a Charter Guarantee;

(ii) the proceeds of the exercise of any lien on sub-freights;

(iii) compensation payable to a Borrower or the Lender in the event of requisition of that Ship for hire or use;

(iv) remuneration for salvage and towage services;

(v) demurrage and detention moneys;

(vi) without prejudice to the generality of sub-paragraph (i) above, damages for breach (or payments for variation or termination) of any charterparty or other contract for the employment of that Ship;

(vii) all moneys which are at any time payable under any Insurances in relation to loss of hire;

(viii) all monies which are at any time payable to a Borrower in relation to general average contribution; and

(b) if and whenever that Ship is employed on terms whereby any moneys falling within sub-paragraphs (i) to (viii) of paragraph (a) above are pooled or shared with any other person, that proportion of the net receipts of the relevant pooling or sharing arrangement which is attributable to that Ship.

"**Earnings Account**" means:

(a) an account in the name of Borrower A with the Account Bank designated "Jerry Shipping Co. - Earnings Account";

(b) an account in the name of Borrower B with the Account Bank designated "Tom Shipping Co. - Earnings Account";

(c) any other account in the name of a Borrower with the Account Bank which may, with the prior written consent of the Lender, be opened in the place of the account referred to in paragraph (a) or (b) above (as the case may be), irrespective of the number or designation of such replacement account; or

(d) any sub-account of any account referred to in paragraphs (a) or (c) above.

"**Environmental Approval**" means any present or future permit, ruling, variance or other Authorisation required under Environmental Law.

"**Environmental Claim**" means any claim by any governmental, judicial or regulatory authority or any other person which arises out of an Environmental Incident or an alleged Environmental Incident or which relates to any Environmental Law and, for this purpose, "**claim**" includes a claim for damages, compensation, contribution, injury, fines, losses and penalties or any other payment of any kind, including in relation to clean-up and removal, whether or not similar to the foregoing; an order or direction to take, or not to take, certain action or to desist from or suspend certain action; and any form of enforcement or regulatory action, including the arrest or attachment of any asset.

"**Environmental Incident**" means:

(a) any release, emission, spill or discharge of Environmentally Sensitive Material whether within a Ship or from a Ship into any other vessel or into or upon the air, water, land or soils (including the seabed) or surface water that has an assessed cost $500,000 or higher; or

(b) any incident in which Environmentally Sensitive Material is released, emitted, spilled or discharged into or upon the air, water, land or soils (including the seabed) or surface water from a vessel other than any Ship and which involves a collision between any Ship and such other vessel or some other incident of navigation or operation, in either case, in connection with which a Ship is actually liable to be arrested, attached, detained or injuncted and/or a Ship and/or any Transaction Obligor and/or any operator or manager of a Ship is at fault or allegedly at fault or otherwise liable to any legal or administrative action that has an assessed cost $500,000 or higher; or

(c) any other incident that has an assessed cost $500,000 or higher in which Environmentally Sensitive Material is released, emitted, spilled or discharged into or upon the air, water, land or soils (including the seabed) or surface water otherwise than from a Ship and in connection with which a Ship is actually liable to be arrested and/or where any Transaction Obligor and/or any operator or manager of a Ship is at fault or allegedly at fault or otherwise liable to any legal or administrative action other than in accordance with an Environmental Approval.

"**Environmental Law**" means any present or future law relating to pollution or protection of human health or the environment, to conditions in the workplace, to the carriage, generation, handling, storage, use, release or spillage of Environmentally Sensitive Material or to actual or threatened releases of Environmentally Sensitive Material.

"**Environmentally Sensitive Material**" means and includes all contaminants, oil, oil products, toxic substances and any other substance (including any chemical, gas or other hazardous or noxious substance) which is (or is capable of being or becoming) polluting, toxic or hazardous.

"**Event of Default**" means any event or circumstance specified as such in Clause 27 (*Events of Default*).

"**Facility**" means the term loan facility made available under this Agreement as described in Clause 2 (*The Facility*).

"**Facility Office**" means the office or offices through which the Lender will perform its obligations under this Agreement.

"**FATCA**" means:

(a) sections 1471 to 1474 of the Code or any associated regulations;

(b) any treaty, law or regulation of any other jurisdiction, or relating to an intergovernmental agreement between the US and any other jurisdiction, which (in either case) facilitates the implementation of any law or regulation referred to in paragraph (a) above; or

(c) any agreement pursuant to the implementation of any treaty, law or regulation referred to in 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.

"**Finance Document**" means:

(a) this Agreement;

(b) each Utilisation Request;

(c) any Security Document;

(d) any Manager's Undertaking;

(e) any Subordination Agreement;

(f) any other document which is executed for the purpose of establishing any priority or subordination arrangement in relation to the Secured Liabilities; or

(g) any other document designated as such by the Lender and the Borrowers.

"**Financial Indebtedness**" means any indebtedness for or in relation to:

(a) moneys borrowed;

(b) any amount raised by acceptance under any acceptance credit facility or dematerialised equivalent;

(c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;

(d) the amount of any liability in relation to any lease or hire purchase contract which would, in accordance with US GAAP, be treated as a balance sheet liability (other than any liability in respect of a lease or hire purchase contract which would, in accordance with US GAAP);

(e) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);

(f) any amount raised under any other transaction (including any forward sale or purchase agreement) of a type not referred to in any other paragraph of this definition having the commercial effect of a borrowing;

(g) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the marked to market value (or, if any actual amount is due as a result of the termination or close-out of that derivative transaction, that amount) shall be taken into account);

(h) any counter-indemnity obligation in relation to a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution; and

(i) the amount of any liability in relation to any guarantee or indemnity for any of the items referred to in paragraphs (a) to (h) above.

"**Funding Rate**" means any individual rate notified by the Lender to an Obligor pursuant to any Finance Document.

"**General and Charter Assignment**" means, in relation to a Ship, the general and time charter assignment executed by the relevant Borrower creating Security over:

(a) the Earnings, the Insurances and any Requisition Compensation; and

(b) any Charter and any Charter Guarantee,

in agreed form.

"**Group**" means the Corporate Guarantor and its Subsidiaries (including, for the avoidance of any doubt, the Borrowers) at any relevant time and "**member of the Group**" shall be construed accordingly.

"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.

"**Holding Company**" means, in relation to a person, any other person in relation to which it is a Subsidiary.

"**Indemnified Person**" has the meaning given to it in Clause 14.2 (*Other indemnities*).

"**Initial Charter**" means:

(a) in relation to Ship A, the time charterparty dated 20 April 2021, initially made between Ingrid Shipping Corp. of Marshall Islands and the Initial Charterer as charterer as novated to Borrower A by a novation agreement dated 3 November 2022 or any other charter made between Borrower A and another charterer approved by the Lender providing for a daily hire rate of no less than $15,000; and

(b) in relation to Ship B, the time charterparty dated 16 December 2021, initially made between Aren Enterprises S.A. of Marshall Islands and the Initial Charterer as charterer as novated to Borrower B by a novation agreement dated 11 November 2022 or any other charter made between Borrower B and another charterer approved by the Lender providing for a daily hire rate of no less than $15,000.

"**Initial Charterer**" means Wan Hai Lines, a company registered in Singapore and acting though its office at 79 Anson Road 10-01 Singapore, 079906.

"**Insurances**" means, in relation to a Ship:

(a) all policies and contracts of insurance, including entries of that Ship in any protection and indemnity or war risks association, effected in relation to that Ship, the Earnings or otherwise in relation to that Ship whether before, on or after the date of this Agreement; and

(b) all rights and other assets relating to, or derived from, any of such policies, contracts or entries, including any rights to a return of premium and any rights in relation to any claim whether or not the relevant policy, contract of insurance or entry has expired on or before the date of this Agreement.

"**Interest Period**" means, in relation to the Loan or any part of the Loan, each period determined in accordance with Clause 9 (*Interest Periods*) and, in relation to an Unpaid Sum, each period determined in accordance with Clause 8.3 (*Default interest*).

"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 Specified Time) 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 Specified Time) 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 the International Safety Management Code for the Safe Operation of Ships and for Pollution Prevention (including the guidelines on its implementation), adopted by the International Maritime Organisation, as the same may be amended or supplemented from time to time.

"**ISPS Code**" means the International Ship and Port Facility Security (ISPS) Code as adopted by the International Maritime Organization's (IMO) Diplomatic Conference of December 2002, as the same may be amended or supplemented from time to time.

"**ISSC**" means an International Ship Security Certificate issued under the ISPS Code.

"**Lender**" means:

(a) the Original Lender; and

(b) any bank, financial institution, trust, fund or other entity which has become the Lender in accordance with Clause 28 (*Changes to the Lender*),

which in each case has not ceased to be a Party in accordance with this Agreement.

"**LMA**" means the Loan Market Association or any successor organisation.

"**Loan**" means the loan to be made available under the Facility or the aggregate principal amount outstanding for the time being of the borrowings under the Facility and a "**part of the Loan**" means an Advance or any other part of the Loan as the context may require.

"**Major Casualty**" means, in relation to a Ship, any casualty to that Ship in relation to which the claim or the aggregate of the claims against all insurers, before adjustment for any relevant franchise or deductible, exceeds the lesser of (a) an amount equal to ten per cent. of the Loan outstanding and (b) $300,000, or the equivalent in any other currency.

"**Management Agreement**" means the agreement entered into between a Borrower and the relevant Approved Manager regarding the management of a Ship.

"**Manager's Undertaking**" means, in relation to a Ship, the letter of undertaking from the relevant Approved Manager subordinating the rights of that Approved Manager against that Ship and the relevant Borrower to the Lender, in agreed form.

"**Margin**" means 3.875 per cent. per annum.

"**Market Value**" means, in relation to a Ship or any other vessel, at any date, an amount determined by the Lender as being an amount equal to the market value of that Ship or vessel shown by a valuation prepared, or if required by the Borrowers by taking the arithmetic mean of two valuations each prepared:

(a) as at a date not more than 14 days previously;

(b) by an Approved Valuer (selected by the Borrowers and acceptable to the Lender);

(c) with or without physical inspection of that Ship or vessel (as the Lender may require); and

(d) on the basis of a sale for prompt delivery for cash on normal arm's length commercial terms as between a willing seller and a willing buyer, free of any Charter,

"**Material Adverse Effect**" means in the reasonable opinion of the Lender a material adverse effect on:

(a) the business, operations, property, condition (financial or otherwise) or prospects of the Corporate Guarantor or the Group as a whole; or

(b) the ability of any Transaction Obligor to perform its obligations under any Finance Document; or

(c) the validity or enforceability of, or the effectiveness or ranking of any Security granted or intended to be granted pursuant to any of, the Finance Documents or the rights or remedies of the Lender under any of the Finance Documents.

"**Minimum Liquidity Account**" means an account in the name of the Lender with the Minimum Liquidity Account Bank:

Account bank:

Bank account no.:

Swift code:

"**Minimum Liquidity Account Bank**" means [●].

"**Minimum Liquidity Amount**" means, in respect of each Ship, the amount of $250,000, which shall be credited to the Minimum Liquidity Account on or prior to the Utilisation Date of the Tranche relating to that Ship.

"**Month**" means a period starting on one day in a calendar month and ending on the numerically corresponding day in the next calendar month, except that:

(a) (subject to paragraph (c) below) if the numerically corresponding day is not a Business Day, that period shall end on the next Business Day in that calendar month in which that period is to end if there is one, or if there is not, on the immediately preceding Business Day;

(b) if there is no numerically corresponding day in the calendar month in which that period is to end, that period shall end on the last Business Day in that calendar month; and

(c) if an Interest Period begins on the last Business Day of a calendar month, that Interest Period shall end on the last Business Day in the calendar month in which that Interest Period is to end.

The above rules will only apply to the last Month of any period.

"**Mortgage**" means, in relation to a Ship, a first preferred Marshall Islands ship mortgage on that Ship in agreed form.

"**Obligor**" means a Borrower or the Corporate Guarantor.

"**Original Financial Statements**" means the audited consolidated financial statements of the Group for its financial year ended 31 December 2021 provided by the Corporate Guarantor.

"**Original Jurisdiction**" means, in relation to a Transaction Obligor, the jurisdiction under whose laws that Transaction Obligor is incorporated as at the date of this Agreement.

"**Overseas Regulations**" means the Overseas Companies Regulations 2009 (SI 2009/1801).

"**Participating Member State**" means any member state of the European Union that has the euro as its lawful currency in accordance with legislation of the European Union relating to Economic and Monetary Union.

"**Party**" means a party to this Agreement.

"**Permitted Charter**" means, in relation to a Ship, a Charter:

(a) which is a time, voyage or consecutive voyage charter;

(b) the duration of which does not exceed and is not capable of exceeding, by virtue of any optional extensions, 12 months plus a redelivery allowance of not more than 30 days;

(c) which is entered into on bona fide arm's length terms at the time at which that Ship is fixed; and

(d) in relation to which not more than two months' hire is payable in advance,

and any other Charter which is approved in writing by the Lender (such approval not to be unreasonably withheld).

"**Permitted Financial Indebtedness**" means:

(a) any Financial Indebtedness incurred under the Finance Documents; and

(b) any Financial Indebtedness that is subordinated to all Financial Indebtedness incurred under the Finance Documents pursuant to a Subordination Agreement or otherwise and which is, in the case of any such Financial Indebtedness of a Borrower, the subject of Subordinated Debt Security.

"**Permitted Security**" means:

(a) Security created by the Finance Documents;

(b) liens for unpaid master's and crew's wages in accordance with first class ship ownership and management practice and not being enforced through arrest;

(c) liens for salvage;

(d) liens for master's disbursements incurred in the ordinary course of trading in accordance with first class ship ownership and management practice and not being enforced through arrest; and

(e) any other lien arising by operation of law or otherwise in the ordinary course of the operation, repair or maintenance of any Ship:

(i) not as a result of any default or omission by either Borrower;

(ii) not being enforced through arrest; and

(iii) subject, in the case of liens for repair or maintenance, to Clause 24.16 (Restrictions on chartering, appointment of managers etc.),

provided such liens do not secure amounts more than 30 days overdue (unless the overdue amount is being contested in good faith by appropriate steps and for the payment of which adequate reserves are held and provided further that such proceedings do not give rise to a material risk of the relevant Ship or any interest in it being seized, sold, forfeited or lost).

"**Potential Event of Default**" means any event or circumstance specified in Clause 27 (*Events of Default*) which would (with the expiry of a grace period, the giving of notice, the making of any determination under the Finance Documents or any combination of any of the foregoing) be an Event of Default.

"**Prohibited Person**" means any person (whether designated by name or by reason of being included in a class of persons) against whom Sanctions are directed.

"**Quotation Day**" means, in relation to any period for which an interest rate is to be determined, the first day of that period unless market practice differs in the Relevant Interbank Market in which case the Quotation Day will be determined by the Lender in accordance with market practice in the Relevant Interbank Market (and if quotations would normally be given by leading banks in the Relevant Interbank Market on more than one day, the Quotation Day will be the last of those days).

"**Receiver**" means a receiver or receiver and manager or administrative receiver of the whole or any part of the Security Assets.

"**Reference Rate**" means, in relation to the Loan or any part of the Loan:

(a) the applicable Term SOFR as of the Specified Time 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 10.1 (*Unavailability of Term SOFR*),

and if, in either case, that rate is less than zero, the Reference Rate shall be deemed to be zero.

"**Related Fund**" in relation to a fund (the "first fund"), means a fund which is managed or advised by the same investment manager or investment adviser as the first fund or, if it is managed by a different investment manager or investment adviser, a fund whose investment manager or investment adviser is an Affiliate of the investment manager or investment adviser of the first fund.

"**Relevant Market**" means the market for overnight cash borrowing collateralised by US Government Securities.

"**Relevant Jurisdiction**" means, in relation to a Transaction Obligor:

(a) its Original Jurisdiction;

(b) any jurisdiction where any asset subject to, or intended to be subject to, any of the Transaction Security created, or intended to be created, by it is situated;

(c) any jurisdiction where it conducts its business; and

(d) the jurisdiction whose laws govern the perfection of any of the Security Documents entered into by it.

"**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.

"**Repayment Date**" means each date on which a Repayment Instalment is required to be paid under Clause 6.1 (*Repayment of Loan*).

"**Repayment Instalment**" has the meaning given to it in Clause 6.1 (*Repayment of Loan*).

"**Repeating Representation**" means each of the representations set out in Clause 19 (*Representations*) except Clause 19.10 (*Insolvency*), Clause 19.11 (*No filing or stamp taxes*) and Clause 19.12 (*Deduction of Tax*) and any representation of any Transaction Obligor made in any other Finance Document that is expressed to be a "Repeating Representation" or is otherwise expressed to be repeated.

"**Representative**" means any delegate, agent, manager, administrator, nominee, attorney, trustee or custodian.

"**Requisition**" means, in relation to a Ship:

(a) any expropriation, confiscation, requisition (excluding a requisition for hire or use which does not involve a requisition for title) or acquisition of that Ship, whether for full consideration, a consideration less than its proper value, a nominal consideration or without any consideration, which is effected (whether *de jure* or *de facto*) by any government or official authority or by any person or persons claiming to be or to represent a government or official authority; and

(b) any capture or seizure of that Ship (including any hijacking or theft) by any person whatsoever.

"**Requisition Compensation**" includes all compensation or other moneys payable to a Borrower by reason of any Requisition or any arrest or detention of a Ship in the exercise or purported exercise of any lien or claim.

"**Safety Management Certificate**" has the meaning given to it in the ISM Code.

"**Safety Management System**" has the meaning given to it in the ISM Code.

"**Sanctions**" means any sanctions, embargoes, freezing provisions, prohibitions or other restrictions relating to trading, doing business, investment, exporting, financing or making assets available (or other activities similar to or connected with any of the foregoing):

(a) imposed by law or regulation of the United Kingdom, the Council of the European Union, the United Nations or its Security Council or the United States of America regardless of whether the same is or is not binding on any Transaction Obligor; or

(b) otherwise imposed by any law or regulation binding on a Transaction Obligor or to which a Transaction Obligor is subject (which shall include without limitation, any extra-territorial sanctions imposed by law or regulation of the United States of America).

"**Secured Liabilities**" means all present and future obligations and liabilities, (whether actual or contingent and whether owed jointly or severally or in any other capacity whatsoever) of each Transaction Obligor to the Lender under or in connection with each Finance Document.

"**Security**" means a mortgage, pledge, lien, charge, assignment, hypothecation or security interest or any other agreement or arrangement having the effect of conferring security.

"**Security Assets**" means all of the assets of the Transaction Obligors which from time to time are, or are expressed to be, the subject of the Transaction Security.

"**Security Document**" means:

(a) any Shares Security;

(b) any Mortgage;

(c) any General and Charter Assignment;

(d) any Subordinated Debt Security;

(e) any other document (whether or not it creates Security) which is executed as security for the Secured Liabilities; or

(f) any other document designated as such by the Lender and the Borrowers.

"**Security Period**" means the period starting on the date of this Agreement and ending on the date on which the Lender is satisfied that there is no outstanding Commitment in force and that the Secured Liabilities have been irrevocably and unconditionally paid and discharged in full.

"**Security Property**" means:

(a) the Transaction Security expressed to be granted in favour of the Lender and all proceeds of that Transaction Security;

(b) all obligations expressed to be undertaken by a Transaction Obligor to pay amounts in relation to the Secured Liabilities to the Lender and secured by the Transaction Security together with all representations and warranties expressed to be given by a Transaction Obligor or any other person in favour of the Lender; and

(c) the Lender's interest in any turnover trust created under the Finance Documents.

"**Selection Notice**" means a notice substantially in the form set out in Part D of Schedule 3 (*Requests*) given in accordance with Clause 9 (*Interest Periods*).

"**Shareholder**" means the Corporate Guarantor, in its capacity as holder of all shares in a Borrower.

"**Shares Security**" means, in relation to a Borrower, a document creating Security over the shares in that Borrower in agreed form.

"**Ship**" means Ship A or Ship B.

"**Ship A**" means m.v. "ARIANA A", details of which are set out opposite its name in Schedule 4 (*Details of the Ships*).

"**Ship B**" means m.v. "GABRIELA A", details of which are set out opposite its name in Schedule 4 (*Details of the Ships*).

"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).

"**Specified Time**" means a day or time determined in accordance with Schedule 5 (*Timetables*).

"**Subordinated Creditor**" means:

(a) a Transaction Obligor; or

(b) any other person who becomes a Subordinated Creditor in accordance with this Agreement.

"**Subordinated Debt Security**" means a Security over Subordinated Liabilities entered into or to be entered into by a Subordinated Creditor in favour of the Lender in an agreed form.

"**Subordinated Finance Document**" means:

(a) a Subordinated Loan Agreement; or

(b) any other document relating to or evidencing Subordinated Liabilities.

"**Subordinated Liabilities**" means all indebtedness owed or expressed to be owed by the Borrowers to a Subordinated Creditor whether under the Subordinated Finance Documents or otherwise.

"**Subordinated Loan Agreement**" means a loan agreement made or to be made between (i) a Borrower and (ii) a Subordinated Creditor.

"**Subordination Agreement**" means a subordination agreement entered into or to be entered into by each Subordinated Creditor and the Lender in agreed form.

"**Subsidiary**" means a subsidiary within the meaning of section 1159 of the Companies Act 2006.

"**Tax**" means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same).

"**Tax Credit**" has the meaning given to it in Clause 12.1 (*Definitions*).

"**Tax Deduction**" has the meaning given to it in Clause 12.1 (*Definitions*).

"**Tax Payment**" has the meaning given to it in Clause 12.1 (*Definitions*).

"**Termination Date**" means, in relation to each Tranche, the date falling 60 Months from the Utilisation Date of that Tranche.

"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).

"**Third Parties Act**" has the meaning given to it in Clause 1.5 (*Third party rights*).

"**Total Loss**" means, in relation to a Ship:

(a) actual, constructive, compromised, agreed or arranged total loss of that Ship; or

(b) any Requisition of that Ship unless that Ship is returned to the full control of the relevant Borrower within 30 days of such Requisition.

"**Total Loss Date**" means, in relation to the Total Loss of 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 earlier of:

(i) the date on which a notice of abandonment is given (or deemed or agreed to be given) to the insurers; and

(ii) the date of any compromise, arrangement or agreement made by or on behalf of the relevant Borrower with that Ship's insurers in which the insurers agree to treat that Ship as a total loss; and

(c) in the case of any other type of Total Loss, the date (or the most likely date) on which it appears to the Lender that the event constituting the total loss occurred.

"**Tranche**" means Tranche A or Tranche B.

"**Tranche A**" means that part of the Loan made or to be made available to the Borrowers to finance Ship A in the principal amount of $11,250,000.

"**Tranche B**" means that part of the Loan made or to be made available to the Borrowers to finance Ship B in the principal amount of $11,250,000.

"**Transaction Document**" means:

(a) a Finance Document;

(b) a Subordinated Finance Document;

(c) an Initial Charter; and

(d) any other document designated as such by the Lender and a Borrower and/or a Transaction Obligor.

"**Transaction Obligor**" means an Obligor, the Shareholder, any Approved Manager who is a member of the Group or any other member of the Group who executes a Transaction Document.

"**Transaction Security**" means the Security created or evidenced or expressed to be created or evidenced under the Security Documents.

"**UK Establishment**" means a UK establishment as defined in the Overseas Regulations.

"**Unpaid Sum**" means any sum due and payable but unpaid by a Transaction Obligor under the Finance Documents.

"**US**" means the United States of America.

"**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 Tax Obligor**" means:

(a) a person which is resident for tax purposes in the US; or

(b) a person some or all of whose payments under the Finance Documents are from sources within the US for US federal income tax purposes.

"**Utilisation**" means a utilisation of the Facility.

"**Utilisation Date**" means the date of a Utilisation, being the date on which the relevant Advance is to be made.

"**Utilisation Request**" means a notice substantially in the form set out in Part C of Schedule 3 (*Requests*).

"**VAT**" means:

(a) any value added tax imposed by the Value Added Tax Act 1994;

(b) any tax imposed in compliance with the Council Directive of 28 November 2006 on the common system of value added tax (EC Directive 2006/112); and

(c) any other tax of a similar nature, whether imposed in a member state of the European Union in substitution for, or levied in addition to, such tax referred to in paragraph (a) above, or imposed elsewhere.

1.2 Construction

(a) Unless a contrary indication appears, a reference in this Agreement to:

(i) the "**Account Bank**", "**Lender**", any "**Obligor**", any "**Party**", any "**Transaction Obligor**" or any other person shall be construed so as to include its successors in title and permitted assigns;

(ii) "**assets**" includes present and future properties, revenues and rights of every description;

(iii) a liability which is "**contingent**" means a liability which is not certain to arise and/or the amount of which remains unascertained;

(iv) "**document**" includes a deed and also a letter, fax, email or telex;

(v) "**expense**" means any kind of cost, charge or expense (including all legal costs, charges and expenses) and any applicable Tax including VAT;

(vi) a "**Finance Document**", a "**Security Document**" or "**Transaction Document**" or any other agreement or instrument is a reference to that Finance Document, Security Document or Transaction Document or other agreement or instrument as amended, replaced, novated, supplemented, extended or restated;

(vii) "**indebtedness**" includes any obligation (whether incurred as principal or as surety) for the payment or repayment of money, whether present or future, actual or contingent;

(viii) "**law**" includes any order or decree, any form of delegated legislation, 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;

(ix) "**proceedings**" means, in relation to any enforcement provision of a Finance Document, proceedings of any kind, including an application for a provisional or protective measure;

(x) a "**person**" includes any individual, firm, company, corporation, government, state or agency of a state or any association, trust, joint venture, consortium, partnership or other entity (whether or not having separate legal personality);

(xi) a "**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;

(xii) a provision of law is a reference to that provision as amended or re-enacted from time to time;

(xiii) a time of day is a reference to London time;

(xiv) any English legal term for any action, remedy, method of judicial proceeding, legal document, legal status, court, official or any legal concept or thing shall, in respect of a jurisdiction other than England, be deemed to include that which most nearly approximates in that jurisdiction to the English legal term;

(xv) words denoting the singular number shall include the plural and vice versa;

(xvi) "**including**" and "**in particular**" (and other similar expressions) shall be construed as not limiting any general words or expressions in connection with which they are used; and

(xvii) the Lender's **"cost of funds"** in relation to the Loan or any part of the Loan is a reference to the average cost (determined either on an actual or a notional basis) which the Lender would incur if it were to fund, from whatever source(s) it may reasonably select, an amount equal to the amount of the Loan or that part of the Loan for a period equal in length to the Interest Period of the Loan or that part of the Loan.

(b) The determination of the extent to which a rate is "**for a period equal in length**" to an Interest Period shall disregard any inconsistency arising from the last day of that Interest Period being determined pursuant to the terms of this Agreement.

(c) Section, Clause and Schedule headings are for ease of reference only and are not to be used for the purposes of construction or interpretation of the Finance Documents.

(d) 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.

(e) A Potential Event of Default is "**continuing**" if it has not been remedied or waived and an Event of Default is "**continuing**" if it has not been waived.

1.3 Construction of insurance terms

In this Agreement:

"**approved**" means, for the purposes of Clause 23 (*Insurance Undertakings*), approved in writing by the Lender.

"**excess risks**" means, in respect of a Ship, the proportion of claims for general average, salvage and salvage charges not recoverable under the hull and machinery policies in respect of that Ship in consequence of its insured value being less than the value at which that Ship is assessed for the purpose of such claims.

"**obligatory insurances**" means all insurances effected, or which either Borrower is obliged to effect, under Clause 23 (*Insurance Undertakings*) or any other provision of this Agreement or of another Finance Document.

"**policy**" includes a slip, cover note, certificate of entry or other document evidencing the contract of insurance or its terms.

"**protection and indemnity risks**" means the usual risks covered by a protection and indemnity association, which shall be a member of the International Group of Protection and Indemnity Associations, including pollution risks and the proportion (if any) of any sums payable to any other person or persons in case of collision which are not recoverable under the hull and machinery policies by reason of the incorporation in them of clause 6 of the International Hull Clauses (1/11/02) (1/11/03), clause 8 of the Institute Time Clauses (Hulls) (1/10/83) (1/11/95) or the Institute Amended Running Down Clause (1/10/71) or any equivalent provision.

"**war risks**" includes the risk of mines and all risks excluded by clauses 29, 30 or 31 of the International Hull Clauses (1/11/02), clauses 29 or 30 of the International Hull Clauses (1/11/03), clauses 24, 25 or 26 of the Institute Time Clauses (Hulls) (1/11/95) or clauses 23, 24 or 25 of the Institute Time Clauses (Hulls) (1/10/83) or any equivalent provision.

1.4 Agreed forms of Finance Documents

References in Clause 1.1 (*Definitions*) to any Finance Document being in "**agreed form**" are to that Finance Document:

(a) in a form attached to a certificate dated the same date as this Agreement (and signed by each Borrower and the Lender); or

(b) in any other form agreed in writing between each Borrower and the Lender.

1.5 Third party rights

(a) Unless expressly provided to the contrary in a Finance Document, a person who is not a Party has no right under the Contracts (Rights of Third Parties) Act 1999 (the "**Third Parties Act**") to enforce or to enjoy the benefit of any term of this Agreement.

(b) Notwithstanding any term of any Finance Document, the consent of any person who is not a Party is not required to rescind or vary this Agreement at any time.

(c) Any Affiliate, Receiver or Delegate or any other person described in paragraph (f) of Clause 14.2 (*Other indemnities*) may, subject to this Clause 1.5 (*Third party rights*) and the Third Parties Act, rely on any Clause of this Agreement which expressly confers rights on it.

SECTION 2

THE FACILITY

2 THE FACILITY

2.1 The Facility

Subject to the terms of this Agreement, the Lender makes available to the Borrowers a dollar term loan facility in the aggregate amount of $22,500,000, in two Tranches.

2.2 Borrowers' Agent

(a) Each Borrower by its execution of this Agreement irrevocably appoints the Corporate Guarantor to act on its behalf as its agent in relation to the Finance Documents and irrevocably authorises:

(i) the Corporate Guarantor on its behalf to supply all information concerning itself contemplated by this Agreement to the Lender and to give all notices and instructions (including the Utilisation Request), to make such agreements and to effect the relevant amendments, supplements and variations capable of being given, made or effected by either Borrower notwithstanding that they may affect the Borrower, without further reference to or the consent of that Borrower; and

(ii) the Lender to give any notice, demand or other communication to that Borrower pursuant to the Finance Documents to the Corporate Guarantor,

and in each case each Borrower shall be bound as though such Borrower itself had given the notices and instructions (including, without limitation, the Utilisation Request) or executed or made the agreements or effected the amendments, supplements or variations, or received the relevant notice, demand or other communication.

(b) Every act, omission, agreement, undertaking, settlement, waiver, amendment, supplement, variation, notice or other communication given or made by the Corporate Guarantor or given to the Corporate Guarantor under any Finance Document on behalf of a Borrower or in connection with any Finance Document (whether or not known to either Borrower) shall be binding for all purposes on that Borrower as if that Borrower had expressly made, given or concurred with it. In the event of any conflict between any notices or other communications of the Corporate Guarantor and either Borrower, those of the Corporate Guarantor shall prevail.

3 PURPOSE

3.1 Purpose

The Borrowers shall apply all amounts borrowed by it under the Facility only for the purpose stated in the preamble (*Background*) to this Agreement.

3.2 Monitoring

The Lender is not bound to monitor or verify the application of any amount borrowed pursuant to this Agreement.

4 CONDITIONS OF UTILISATION

4.1 Initial conditions precedent

The Borrowers may not deliver a Utilisation Request unless the Lender has received all of the documents and other evidence listed in Part A of Schedule 2 (*Conditions Precedent*) in form and substance satisfactory to the Lender.

4.2 Further conditions precedent

The Lender will only be obliged to comply with Clause 5 (*Utilisation*) if:

(a) on the date of a Utilisation Request and on the proposed Utilisation Date and before the Advance is made available:

(i) no Default is continuing or would result from the proposed Utilisation;

(ii) the Repeating Representations to be made by each Transaction Obligor are true;

(iii) no event described in paragraph (a) of Clause 7.2 (*Change of control*) has occurred;

(iv) in the case of an Advance under any Tranche, the Ship in respect of which such Advance is to be made has neither been sold nor become a Total Loss;

(v) no event has occurred which would give rise to the provisions of Clause 10.3 (*Cost of funds*); and

(vi) no event or circumstance has occurred which would have a Material Adverse Effect; and

(b) on or before each Utilisation Date, the Lender has received or is satisfied it will receive when the Advance in respect of a Tranche is made available, all of the documents and other evidence listed in Part A of Schedule 2 (*Conditions Precedent*) in form and substance satisfactory to the Lender.

4.3 Notification of satisfaction of conditions precedent

The Lender shall notify the Borrowers promptly upon being satisfied as to the satisfaction of the conditions precedent referred to in Clause 4.1 (*Initial conditions precedent*) and Clause 4.2 (*Further conditions precedent*).

4.4 Waiver of conditions precedent

If the Lender, at its discretion, permits an Advance to be borrowed before any of the conditions precedent referred to in Clause 4.1 (*Initial conditions precedent*) or Clause 4.2 (*Further conditions precedent*) has been satisfied, the Borrowers shall ensure that that condition is satisfied within five Business Days after the relevant Utilisation Date or such later date as the Lender may agree in writing with the Borrowers.

SECTION 3

UTILISATION

5 UTILISATION

5.1 Delivery of a Utilisation Request

(a) The Borrowers may utilise the Facility by delivery to the Lender of a duly completed Utilisation Request not later than the Specified Time.

(b) The Borrowers may not deliver more than one Utilisation Request under each Tranche.

5.2 Completion of the Utilisation Request

(a) The Utilisation Request is irrevocable and will not be regarded as having been duly completed unless:

(b) the proposed Utilisation Date is a Business Day within the Availability Period;

(c) the currency and amount of a Utilisation comply with Clause 5.3 (*Currency and amount*);

(d) all applicable deductible items have been completed; and

(e) the proposed Interest Period complies with Clause 9 (*Interest Periods*).

5.3 Currency and amount

(a) The currency specified in a Utilisation Request must be dollars.

(b) The amount of the proposed Advance must be an amount which:

(i) in respect of the Advance under Tranche A is equal to $11,250,000; and

(ii) in respect of the Advance under Tranche B is equal to $11,250,000.

5.4 Advances

If the conditions set out in this Agreement have been met, the Lender shall make each Advance available by the relevant Utilisation Date through its Facility Office.

5.5 Cancellation of Commitment

The Commitment in respect of any Tranche which is unutilised at the end of the Availability Period shall then be cancelled.

5.6 Retentions and payment to third parties

The Borrowers irrevocably authorise the Lender:

(a) to deduct from the proceeds of the relevant Advance any items listed as deductible items in the relevant Utilisation Request (including, without limitation, the Minimum Liquidity Amount) and to apply them in payment of the items to which they relate; and

(b) on each Utilisation Date, to pay to, or for the account of, the Borrowers, the balance (after any deduction made in accordance with paragraph (a) above) of the relevant Advance.

5.7 Disbursement of a Tranche to third party

Payment by the Lender under Clause 5.6 (*Retentions and payment to third parties*) to a person other than a Borrower shall constitute the making of the relevant Tranche and the Borrowers shall at that time become indebted, as principal and direct obligor, to the Lender in an amount equal to that Advance under that Tranche.

SECTION 4

REPAYMENT, PREPAYMENT AND CANCELLATION

6 REPAYMENT

6.1 Repayment of Loan

The Borrowers shall repay each Tranche by 60 consecutive monthly instalments (together the "**Repayment Instalments**" and each a "**Repayment Instalment**") as follows:

(a) Tranche A by:

60 consecutive monthly instalments, the first to ninth (inclusive) Repayment Instalment each in an amount equal to $250,000, the tenth to twelfth (inclusive) Repayment Instalment each in an amount equal to $175,000, the thirteenth to fifty ninth (inclusive) Repayment Instalment each in an amount equal to $150,000 and the sixtieth Repayment Instalment in an amount of $1,425,000, the first of which shall be repaid on the date falling 1 Month after the Utilisation Date applicable to Tranche A and the last on the Termination Date applicable to Tranche A; and

(b) Tranche B by:

60 consecutive monthly instalments, the first to ninth (inclusive) Repayment Instalment each in an amount equal to $250,000, the tenth to twelfth (inclusive) Repayment Instalment each in an amount equal to $175,000, the thirteenth to fifty ninth (inclusive) Repayment Instalment each in an amount equal to $150,000 and the sixtieth Repayment Instalment in an amount of $1,425,000, the first of which shall be repaid on the date falling 1 Month after the Utilisation Date applicable to Tranche B and the last on the Termination Date applicable to Tranche B.

6.2 Appointment of nominee for repayment

Due to the anti-money laundering and "know your customer" procedures required by the governmental authority applicable to the Lender, the Borrowers may nominate another person as paying entity to pay a Repayment Instalment, such nomination to be made not less than 30 days prior to the relevant Repayment Date and provided that:

(a) the Lender shall have consented to the same (such consent not to be unreasonably withheld); and

(b) the Lender shall have received from the Borrowers such documents as it may require for the purposes of carrying out its anti-money laundering and "know your customer" procedures, in a form and substance satisfactory to the Lender for such purpose.

6.3 Reduction of Repayment Instalments

If any part of a Tranche is cancelled or prepaid in accordance with Clause 7.5 (*Mandatory prepayment on sale, arrest or Total Loss*), the amount cancelled or prepaid shall reduce *pro rata* the amount of each Repayment Instalment in respect of that Tranche falling after that prepayment.

6.4 Termination Date

On the final Termination Date, the Borrowers shall additionally pay to the Lender all other sums then accrued and owing under the Finance Documents.

6.5 Reborrowing

Neither Borrower may reborrow any part of the Facility which is repaid.

7 PREPAYMENT AND CANCELLATION

7.1 Illegality

If it becomes unlawful in any applicable jurisdiction for the Lender to perform any of its obligations as contemplated by this Agreement or to fund or maintain all or any part of either Advance or the Loan or it becomes unlawful for any Affiliate of the Lender for the Lender to do so:

(a) the Lender shall promptly notify the Borrowers upon becoming aware of that event and the Available Facility will be immediately cancelled; and

(b) the Borrowers shall prepay the Loan on the last day of the Interest Period for the Loan occurring after the Lender has notified the Borrowers or, if earlier, the date specified by the Lender in the notice delivered to the Borrowers (being no earlier than the last day of any applicable grace period permitted by law) and the Commitment shall be cancelled.

7.2 Change of control

If the Shareholder ceases to directly or indirectly (subject to relevant Shares Security being executed) own 100 per cent. of the shares in either Borrower:

(a) the Borrowers shall promptly notify the Lender upon becoming aware of that event; and

(b) the Lender may, by not less than 10 days' notice to the Borrowers, cancel the Facility and declare the Loan, together with accrued interest, and all other amounts accrued under the Finance Documents immediately due and payable, whereupon the Facility will be cancelled and the Loan and all such outstanding interest and other amounts will become immediately due and payable.

7.3 Voluntary and automatic cancellation

The unutilised Commitment (if any) shall be automatically cancelled at close of business on the relevant Utilisation Date or, as the case may be, at the end of the Availability Period.

7.4 Voluntary prepayment of Loan

(a) The Borrowers may, after the last day of the Availability Period in respect of a Tranche and at any time after the first anniversary of the Utilisation Date of the relevant Tranche, if they give the Lender not less than 30 Business Days' (or such shorter period as the Lender may agree) prior notice, prepay the whole or any part of a Tranche (but, if in part, being an amount that reduces the amount of such Tranche by a minimum amount of $500,000 (and thereafter in integral multiples of $100,000)).

(b) Any partial prepayment under this Clause 7.4 (*Voluntary prepayment of Loan*) shall reduce *pro rata* the amount of each Repayment Instalment falling after that prepayment by the amount prepaid.

7.5 Mandatory prepayment on sale, arrest or Total Loss

(a) If a Ship is sold (subject to Lender's consent, such consent not to be unreasonably withheld) (without prejudice to paragraph (a) of Clause 22.12 (*Disposals*)), becomes a Total Loss or in the event of an arrest of that Ship, the Borrowers shall on the Relevant Date repay the Tranche relevant to the Ship which is being sold or has become a Total Loss or arrested together with accrued interest, and all other amounts accrued under the Finance Documents.

(b) In this Clause 7.5 (*Mandatory prepayment on sale, arrest or Total Loss*):

"**Relevant Date**" means:

(i) in the case of a sale of a Ship, on or before the date on which the sale is completed by delivery of that Ship to the buyer of that Ship; or

(ii) in the case of a Total Loss of a Ship, on the earlier of (i) the date falling 30 days after the Total Loss Date and (ii) the date of receipt by the Lender of the proceeds of insurance relating to such Total Loss; or

(iii) in the case of an arrest of a Ship or its detention in the exercise or the purported exercise of any lien or claim 30 days following such arrest or detention unless it is redelivered to the full control of the relevant Borrower within that 30 day period of such arrest or detention.

7.6 Restrictions

(a) Any notice of cancellation or prepayment given by any Party under this Clause 7 (*Prepayment and Cancellation*) shall be irrevocable and, unless a contrary indication appears in this Agreement, shall specify the date or dates upon which the relevant cancellation or prepayment is to be made and the amount of that cancellation or prepayment.

(b) Any prepayment under this Agreement shall be made together with accrued interest on the amount prepaid and subject to the fee provided for in Clause 11.2 (*Prepayment and Cancellation Fee*) and any Break Costs, without premium or penalty.

(c) Neither Borrower may reborrow any part of the Facility which is prepaid.

(d) Neither Borrower shall repay or prepay all or any part of the Loan or cancel all or any part of the Commitment except at the times and in the manner expressly provided for in this Agreement.

(e) No amount of the Commitment cancelled under this Agreement may be subsequently reinstated.

SECTION 5

COSTS OF UTILISATION

8 INTEREST

8.1 Calculation of interest

The rate of interest on the Loan or any part of the Loan for each Interest Period is the percentage rate per annum which is the aggregate of:

(a) the Margin; and

(b) the Reference Rate.

8.2 Payment of interest

(a) The Borrowers shall pay accrued interest on each Tranche on the Loan or any part of the Loan on the last day of each Interest Period.

(b) If an Interest Period is longer than one Month, the Borrowers shall also pay interest then accrued on the Loan or the relevant part of the Loan on the dates falling at Monthly intervals after the first day of the Interest Period.

8.3 Default interest

(a) If a Transaction Obligor 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 2.0 per cent. 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 8.3 (*Default interest*) shall be immediately payable by the Obligors 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 2.0 per cent. per annum higher than the rate which would have applied if that Unpaid Sum had not become due.

(c) Default interest (if unpaid) arising on an Unpaid Sum will be compounded with the Unpaid Sum at the end of each Interest Period applicable to that Unpaid Sum but will remain immediately due and payable.

8.4 Notification of rates of interest

The Lender shall promptly notify the Borrowers of the determination of a rate of interest under this Agreement.

9 INTEREST PERIODS

9.1 Selection of Interest Periods

(a) Each Interest Period will be one Month or any other period agreed between the Borrowers and the Lender.

(b) Subject to this Clause 9 (*Interest Periods*), the Borrowers may select an Interest Period agreed between the Borrowers and the Lender and described accordingly in a Selection Notice.

(c) Each Selection Notice is irrevocable and must be delivered to the Lender by the Borrowers not later than the Specified Time.

(d) An Interest Period in respect of a Tranche shall not extend beyond the Termination Date relating to that Tranche.

(e) The first Interest Period for the Loan shall start on the first Utilisation Date and, subject to paragraph (f) below, each subsequent Interest Period shall start on the last day of the preceding Interest Period.

(f) The first Interest Period for the second and each subsequent Advance shall start on the Utilisation Date of such Advance and end on the last day of the Interest Period applicable to the Loan on the date on which such Advance is made.

(g) Except for the purposes of paragraph (f) above, the Loan shall have one Interest Period only at any time.

9.2 Non-Business Days

If an Interest Period would otherwise end on a day which is not a Business Day, that Interest Period will instead end on the next Business Day in that calendar month (if there is one) or the preceding Business Day (if there is not).

10 CHANGES TO THE CALCULATION OF INTEREST

10.1 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 10.3 (*Cost of funds*) shall apply to the Loan or that part of the Loan for that Interest Period.

10.2 Market disruption

If before close of business in London on the Quotation Day for the relevant Interest Period, the Lender notifies the Borrowers that its cost of funds relating to the Loan or the relevant part of the Loan would be in excess of the Reference Rate then Clause 10.3 (*Cost of funds*) shall apply to the Loan or that part of the Loan (as applicable) for the relevant Interest Period.

10.3 Cost of funds

(a) If this Clause 10.3 (*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 Margin; and

(ii) the rate notified to the Borrowers by the Lender 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 its cost of funds relating to the Loan or that part of the Loan or, if such rate is less than zero, such rate shall be deemed to be zero.

(b) If this Clause 10.3 (*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 30 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) Any substitute or alternative basis agreed pursuant to paragraph (b) above shall be binding on all Parties.

10.4 Break Costs

The Borrowers shall, within three Business Days of demand by the Lender, pay to the Lender its Break Costs attributable to all or any part of the Loan or Unpaid Sum being paid by the Borrowers on a day other than the last day of an Interest Period for the Loan, the relevant part of the Loan or that Unpaid Sum.

11 FEES

11.1 Facility fee

A non-refundable facility fee of $281,250 (representing 1.25 per cent. of the Commitment) shall be paid by the Borrowers to the Lender on or prior to the first Utilisation Date.

11.2 Prepayment and Cancellation Fee

(a) If the Borrowers request to prepay or cancel the whole or any part of the Loan at any time after the first anniversary of the Utilisation Date relating to that part of the Loan and up to the date falling 36 months from the respective Utilisation Date, they must pay to the Lender a flat prepayment fee in an amount equal to 1 per cent. of the amount prepaid or cancelled on the date of such prepayment or cancellation, as applicable, of all or part of the Loan.

(b) This Clause 11.2 (*Prepayment and Cancellation Fee*) shall not apply in the case of a prepayment made pursuant to Clause 7.1 (*Illegality*) and Clause 28.1 (*Assignment by the Lender*).

SECTION 6

ADDITIONAL PAYMENT OBLIGATIONS

12 TAX GROSS UP AND INDEMNITIES

12.1 Definitions

(a) In this Agreement:

"**Tax Credit**" means a credit against, relief or remission for, or repayment of any Tax.

"**Tax Deduction**" means a deduction or withholding for or on account of Tax from a payment under a Finance Document, other than a FATCA Deduction.

"**Tax Payment**" means either the increase in a payment made by an Obligor to the Lender under Clause 12.2 (*Tax gross-up*) or a payment under Clause 12.3 (*Tax indemnity*).

(b) Unless a contrary indication appears, in this Clause 12 (*Tax Gross Up and Indemnities*) reference to "**determines**" or "**determined**" means a determination made in the absolute discretion of the person making the determination.

12.2 Tax gross-up

(a) Each Obligor shall make all payments to be made by it without any Tax Deduction, unless a Tax Deduction is required by law.

(b) The Borrowers shall promptly upon becoming aware that an Obligor must make a Tax Deduction (or that there is any change in the rate or the basis of a Tax Deduction) notify the Lender accordingly. Similarly, the Lender shall notify the Borrowers and that Obligor on becoming so aware in respect of a payment payable to the Lender.

(c) If a Tax Deduction is required by law to be made by an Obligor, the amount of the payment due from that Obligor shall be increased to an amount which (after making any Tax Deduction) leaves an amount equal to the payment which would have been due if no Tax Deduction had been required.

(d) If an Obligor is required to make a Tax Deduction, that Obligor shall make that Tax Deduction and any payment required in connection with that Tax Deduction within the time allowed and in the minimum amount required by law.

(e) Within 30 days of making either a Tax Deduction or any payment required in connection with that Tax Deduction, the Obligor making that Tax Deduction shall deliver to the Lender evidence reasonably satisfactory to the Lender that the Tax Deduction has been made or (as applicable) any appropriate payment paid to the relevant taxing authority.

12.3 Tax indemnity

(a) The Obligors shall (within three Business Days of demand by the Lender) pay to the Lender an amount equal to the loss, liability or cost which the Lender determines will be or has been (directly or indirectly) suffered for or on account of Tax by the Lender in respect of a Finance Document.

(b) Paragraph (a) above shall not apply:

(i) with respect to any Tax assessed on the Lender:

(A) under the law of the jurisdiction in which the Lender is incorporated or, if different, the jurisdiction (or jurisdictions) in which the Lender is treated as resident for tax purposes; or

(B) under the law of the jurisdiction in which the Lender's Facility Office is located in respect of amounts received or receivable in that jurisdiction,

if that Tax is imposed on or calculated by reference to the net income received or receivable (but not any sum deemed to be received or receivable) by the Lender; or

(ii) to the extent a loss, liability or cost:

(A) is compensated for by an increased payment under Clause 12.2 (*Tax gross-up*); or

(B) relates to a FATCA Deduction required to be made by a Party.

(c) The Lender shall, if making, or intending to make, a claim under paragraph (a) above, promptly notify the Obligors of the event which will give, or has given, rise to the claim.

12.4 Tax Credit

If an Obligor makes a Tax Payment and the Lender determines that:

(a) a Tax Credit is attributable to an increased payment of which that Tax Payment forms part, to that Tax Payment or to a Tax Deduction in consequence of which that Tax Payment was received; and

(b) the Lender has obtained and utilised that Tax Credit,

the Lender shall pay an amount to the Obligor which the Lender determines will leave it (after that payment) in the same after-Tax position as it would have been in had the Tax Payment not been required to be made by the Obligor.

12.5 Stamp taxes

The Obligors shall pay and, within three Business Days of demand, indemnify the Lender against any cost, loss or liability which the Lender incurs in relation to all stamp duty, registration and other similar Taxes payable in respect of any Finance Document.

12.6 VAT

(a) All amounts expressed to be payable under a Finance Document by any Party to the Lender which (in whole or in part) constitute the consideration for any supply for VAT purposes are deemed to be exclusive of any VAT which is chargeable on that supply, and accordingly, if VAT is or becomes chargeable on any supply made by the Lender to any Party under a Finance Document and the Lender is required to account to the relevant tax authority for the VAT, that Party must pay to the Lender (in addition to and at the same time as paying any other consideration for such supply) an amount equal to the amount of the VAT (and the Lender must promptly provide an appropriate VAT invoice to that Party).

(b) Where a Finance Document requires any Party to reimburse or indemnify the Lender for any cost or expense, that Party shall reimburse or indemnify (as the case may be) the Lender for the full amount of such cost or expense, including such part of it as represents VAT, save to the extent that the Lender reasonably determines that it is entitled to credit or repayment in respect of such VAT from the relevant tax authority.

(c) Any reference in this Clause 12.6 (*VAT*) to any Party shall, at any time when that Party is treated as a member of a group or unity (or fiscal unity) for VAT purposes, include (where appropriate and unless the context otherwise requires) a reference to the person who is treated at that time as making the supply, or (as appropriate) receiving the supply, under the grouping rules provided for in Article 11 of Council Directive 2006/112/EC (or as implemented by the relevant member state of the European Union or equivalent provisions imposed elsewhere) so that a reference to a Party shall be construed as a reference to that Party or the relevant group or unity (or fiscal unity) of which that Party is a member for VAT purposes at the relevant time or the relevant representative member (or representative or head) of that group or unity at the relevant time (as the case may be).

(d) In relation to any supply made by the Lender to any Party under a Finance Document, if reasonably requested by the Lender, that Party must promptly provide the Lender with details of that Party's VAT registration and such other information as is reasonably requested in connection with the Lender's VAT reporting requirements in relation to such supply.

12.7 FATCA Information

(a) Subject to paragraph (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:

(A) a FATCA Exempt Party; or

(B) not a FATCA Exempt Party; and

(ii) supply to that other Party such forms, documentation and other information relating to its status under FATCA as that other Party reasonably requests for the purposes of that other Party's compliance with FATCA; and

(iii) supply to that other Party such forms, documentation and other information relating to its status as that other Party reasonably requests for the purposes of that other Party's compliance with any other law, regulation or exchange of information regime.

(b) If a Party confirms to another Party pursuant to sub-paragraph (i) of paragraph (a) 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) Paragraph (a) above shall not oblige the Lender to do anything and sub-paragraph (iii) of paragraph (a) above shall not oblige any other Party to do anything which would or might in its reasonable opinion constitute a breach of:

(i) any law or regulation;

(ii) any fiduciary duty; or

(iii) any duty of confidentiality.

(d) If a Party fails to confirm whether or not it is a FATCA Exempt Party or to supply forms, documentation or other information requested in accordance with sub-paragraphs (i) or (ii) of paragraph (a) above (including, for the avoidance of doubt, where paragraph (c) above applies), then such Party shall be treated for the purposes of the Finance Documents (and payments under them) as if it is not a FATCA Exempt Party until such time as the Party in question provides the requested confirmation, forms, documentation or other information.

12.8 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.

13 INCREASED COSTS

13.1 Increased costs

(a) Subject to Clause 13.3 (*Exceptions*), the Borrowers shall, within five Business Days of a demand by the Lender, pay for the account of the Lender the amount of any Increased Costs incurred by the Lender or any of its Affiliates as a result of:

(i) the introduction of or any change in (or in the interpretation, administration or application of) any law or regulation; or

(ii) compliance with any law or regulation made,

in each case after the date of this Agreement; or

(iii) the implementation, application of or compliance with Basel III or CRD IV or any law or regulation that implements or applies Basel III or CRD IV.

(b) In this Agreement:

(i) "**Basel III**" means:

(A) the agreements on capital requirements, a 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".

(ii) "**CRD IV**" means:

(A) 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 by Regulation (EU) 2019/876;

(B) 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 by Directive (EU) 2019/878; and

(C) any other law or regulation which implements Basel III.

(iii) "**Increased Costs**" means:

(A) a reduction in the rate of return from the Facility or on the Lender's (or its Affiliate's) overall capital;

(B) an additional or increased cost; or

(C) a reduction of any amount due and payable under any Finance Document,

which is incurred or suffered by the Lender or any of its Affiliates to the extent that it is attributable to the Lender having entered into the Commitment or funding or performing its obligations under any Finance Document.

13.2 Increased cost claims

If the Lender intends to make a claim pursuant to Clause 13.1 (*Increased costs*) it shall notify the Borrowers.

13.3 Exceptions

Clause 13.1 (*Increased costs*) does not apply to the extent any Increased Cost is:

(a) attributable to a Tax Deduction required by law to be made by an Obligor;

(b) attributable to a FATCA Deduction required to be made by a Party;

(c) compensated for by Clause 12.3 (*Tax indemnity*) (or would have been compensated for under Clause 12.3 (*Tax indemnity*) but was not so compensated solely because any of the exclusions in paragraph (b) of Clause 12.3 (*Tax indemnity*) applied); or

(d) attributable to the wilful breach by the Lender or its Affiliates of any law or regulation.

14 OTHER INDEMNITIES

14.1 Currency indemnity

(a) If any sum due from an Obligor under the Finance Documents (a "**Sum**"), or any order, judgment or award given or made in relation to a Sum, has to be converted from the currency (the "**First Currency**") in which that Sum is payable into another currency (the "**Second Currency**") for the purpose of:

(i) making or filing a claim or proof against that Obligor; or

(ii) obtaining or enforcing an order, judgment or award in relation to any litigation or arbitration proceedings,

that Obligor shall, as an independent obligation, on demand, indemnify the Lender against any cost, loss or liability arising out of or as a result of the conversion including any discrepancy between (A) the rate of exchange used to convert that Sum from the First Currency into the Second Currency and (B) the rate or rates of exchange available to that person at the time of its receipt of that Sum.

(b) Each Obligor waives any right it may have in any jurisdiction to pay any amount under the Finance Documents in a currency or currency unit other than that in which it is expressed to be payable.

14.2 Other indemnities

(a) Each Obligor shall, on demand, indemnify the Lender and any Receiver and Delegate against:

(i) any cost, loss or liability incurred by it as a result of:

(A) the occurrence of any Event of Default;

(B) a failure by a Transaction Obligor to pay any amount due under a Finance Document on its due date;

(C) funding, or making arrangements to fund, an Advance requested by the Borrowers in a Utilisation Request but not made by reason of the operation of any one or more of the provisions of this Agreement (other than by reason of default or negligence by the Lender alone); or

(D) the Loan (or part of the Loan) not being prepaid in accordance with a notice of prepayment given by the Borrowers; or

(E) investigating any event which it reasonably believes is a Default; and

(ii) any cost, loss or liability (including, without limitation, for negligence or any other category of liability whatsoever) incurred by the Lender (otherwise than by reason of the Lender's gross negligence or wilful misconduct) or, in the case of any cost, loss or liability pursuant to Clause 30.8 (*Disruption to Payment Systems etc.*) notwithstanding the Lender's negligence, gross negligence or any other category of liability whatsoever but not including any claim based on the fraud of the Lender in acting as Lender under the Finance Documents.

(b) Each Obligor shall, on demand, indemnify the Lender, each Affiliate of the Lender and any Receiver and Delegate and each officer or employee of the Lender or its Affiliate or any Receiver or Delegate (as applicable) (each such person for the purposes of this Clause 14.2 (*Other indemnities*) an "**Indemnified Person**"), against any cost, loss or liability (including, without limitation, for negligence or any other category of liability whatsoever) incurred by that Indemnified Person pursuant to or in connection with any litigation, arbitration or administrative proceedings or regulatory enquiry, in connection with or arising out of the entry into and the transactions contemplated by the Finance Documents, having the benefit of any Security constituted by the Finance Documents or which relates to the condition or operation of, or any incident occurring in relation to, any Ship unless such cost, loss or liability is caused by the gross negligence or wilful misconduct of that Indemnified Person.

(c) No Party other than the Lender or the Receiver or Delegate (as applicable) may take any proceedings against any officer, employee or agent of the Lender or the Receiver or Delegate (as applicable) in respect of any claim it might have against the Lender or the Receiver or Delegate or in respect of any act or omission of any kind by that officer, employee or agent in relation to any Transaction Document or any Security Property.

(d) Without limiting, but subject to any limitations set out in paragraph (b) above, the indemnity in paragraph (b) above shall cover any cost, loss or liability incurred by each Indemnified Person in any jurisdiction:

(i) arising or asserted under or in connection with any law relating to safety at sea, the ISM Code, any Environmental Law or any Sanctions; or

(ii) in connection with any Environmental Claim.

(e) Each Obligor shall, on demand, indemnify the Lender and every Receiver and Delegate against any cost, loss or liability (including, without limitation, for negligence or any other category of liability whatsoever) incurred by any of them:

(i) in relation to or as a result of:

(A) any failure by the Borrowers to comply with their obligations under Clause 16 (*Costs and Expenses*);

(B) acting or relying on any notice, request or instruction which it reasonably believes to be genuine, correct and appropriately authorised;

(C) the taking, holding, protection or enforcement of the Finance Documents and the Transaction Security;

(D) the exercise of any of the rights, powers, discretions, authorities and remedies vested in the Lender and each Receiver and Delegate by the Finance Documents or by law;

(E) any default by any Transaction Obligor in the performance of any of the obligations expressed to be assumed by it in the Finance Documents;

(F) any action by any Transaction Obligor which vitiates, reduces the value of, or is otherwise prejudicial to, the Transaction Security; and

(G) instructing lawyers, accountants, tax advisers, surveyors or other professional advisers or experts as permitted under the Finance Documents;

(ii) which otherwise relates to any of the Security Property or the performance of the terms of this Agreement or the other Finance Documents (otherwise, in each case, than by reason of the Lender's or Receiver's or Delegate's gross negligence or wilful misconduct).

(f) Any Affiliate or Receiver or Delegate or any officer or employee of the Lender, or of any of its Affiliates or any Receiver or Delegate (as applicable) may rely on this Clause 14.2 (*Other indemnities*) and the provisions of the Third Parties Act, subject to Clause 1.5 (*Third party rights*) and the provisions of the Third Parties Act.

15 MITIGATION BY THE LENDER

15.1 Mitigation

(a) The Lender shall, in consultation with the Borrowers, take all reasonable steps to mitigate any circumstances which arise and which would result in any amount becoming payable under or pursuant to, or cancelled pursuant to, any of Clause 7.1 (*Illegality*), Clause 12 (*Tax Gross Up and Indemnities*), Clause 13 (*Increased Costs*) including (but not limited to) assigning its rights under the Finance Documents to another Affiliate or Facility Office.

(b) Paragraph (a) above does not in any way limit the obligations of any Transaction Obligor under the Finance Documents.

15.2 Limitation of liability

(a) Each Obligor shall, on demand, indemnify the Lender for all costs and expenses reasonably incurred by the Lender as a result of steps taken by it under Clause 15.1 (*Mitigation*).

(b) The Lender is not obliged to take any steps under Clause 15.1 (*Mitigation*) if either:

(i) a Default has occurred and is continuing; *or*

(ii) in the opinion of the Lender (acting reasonably), to do so might be prejudicial to it.

16 COSTS AND EXPENSES

16.1 Transaction expenses

The Obligors shall, on demand, pay the Lender or directly the relevant law firm appointed as the Lender's legal counsel, the amount of all costs and expenses (including legal fees) reasonably incurred by it in connection with the negotiation, preparation, printing, execution and perfection of:

(a) this Agreement and any other documents referred to in this Agreement or in a Security Document; and

(b) any other Finance Documents executed after the date of this Agreement.

16.2 Amendment costs

If:

(a) a Transaction Obligor requests an amendment, waiver or consent;

(b) an amendment is required either pursuant to Clause 30.6 (*Change of currency*) or as to address the fact that SOFR or Term SOFR is not or is likely not to be available; or

(c) a Transaction Obligor requests, and the Lender agrees to, the release of all or any part of the Security Assets from the Transaction Security,

the Obligors shall, on demand, reimburse the Lender for the amount of all costs and expenses (including legal fees) reasonably incurred by the Lender in responding to, evaluating, negotiating or complying with that request or requirement.

16.3 Enforcement and preservation costs

The Obligors shall, on demand, pay to the Lender the amount of all costs and expenses (including legal fees) incurred by the Lender in connection with the enforcement of, or the preservation of any rights under, any Finance Document or the Transaction Security and with any proceedings instituted by or against the Lender as a consequence of it entering into a Finance Document, taking or holding the Transaction Security, or enforcing those rights.

SECTION 7

GUARANTEE AND JOINT AND SEVERAL LIABILITY OF BORROWERS

17 GUARANTEE AND INDEMNITY

17.1 Guarantee and indemnity

The Corporate Guarantor irrevocably and unconditionally:

(a) guarantees to the Lender punctual performance by each Borrower of all that Borrower's obligations under the Finance Documents;

(b) undertakes with the Lender that whenever Borrower does not pay any amount when due under or in connection with any Finance Document, the Corporate Guarantor shall immediately on demand pay that amount as if it were the principal obligor; and

(c) agrees with the Lender that if any obligation guaranteed by it is or becomes unenforceable, invalid or illegal, it will, as an independent and primary obligation, indemnify the Lender immediately on demand against any cost, loss or liability it incurs as a result of a Borrower not paying any amount which would, but for such unenforceability, invalidity or illegality, have been payable by it under any Finance Document on the date when it would have been due. The amount payable by the Corporate Guarantor under this indemnity will not exceed the amount it would have had to pay under this Clause 17 (*Guarantee and Indemnity*) if the amount claimed had been recoverable on the basis of a guarantee.

17.2 Continuing guarantee

This guarantee is a continuing guarantee and will extend to the ultimate balance of sums payable by each Borrower under the Finance Documents, regardless of any intermediate payment or discharge in whole or in part

17.3 Reinstatement

If any discharge, release or arrangement (whether in respect of the obligations of any Transaction Obligor or any security for those obligations or otherwise) is made by the Lender in whole or in part on the basis of any payment, security or other disposition which is avoided or must be restored in insolvency, liquidation, administration or otherwise, without limitation, then the liability of the Corporate Guarantor under this Clause 17 (*Guarantee and Indemnity*) will continue or be reinstated as if the discharge, release or arrangement had not occurred.

17.4 Waiver of defences

The obligations of the Corporate Guarantor under this Clause 17 (*Guarantee and Indemnity*) and in respect of any Transaction Security will not be affected or discharged by an act, omission, matter or thing which, but for this Clause 17.4 (*Waiver of defences*), would reduce, release or prejudice any of its obligations under this Clause 17 (*Guarantee and Indemnity*) or in respect of any Transaction Security (without limitation and whether or not known to it or the Lender) including:

(a) any time, waiver or consent granted to, or composition with, any Transaction Obligor or other person;

(b) the release of any other Transaction Obligor or any other person under the terms of any composition or arrangement with any creditor of any member of the Group;

(c) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect or delay in perfecting, or refusal or neglect to take up or enforce, or delay in taking or enforcing any rights against, or security over assets of, any Transaction Obligor 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;

(d) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of a Transaction Obligor or any other person;

(e) any amendment, novation, supplement, extension, restatement (however fundamental and whether or not more onerous) or replacement of any 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;

(f) any unenforceability, illegality or invalidity of any obligation of any person under any Finance Document or any other document or security; or

(g) any insolvency or similar proceedings.

17.5 Immediate recourse

The Corporate Guarantor waives any right it may have of first requiring the Lender (or any trustee or agent on its behalf) to proceed against or enforce any other rights or security or claim payment from any person (including without limitation to commence any proceedings under any Finance Document or to enforce any Transaction Security) before claiming or commencing proceedings under this Clause 17 (*Guarantee and Indemnity*). This waiver applies irrespective of any law or any provision of a Finance Document to the contrary.

17.6 Appropriations

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, the Lender (or any trustee or agent on its behalf) may:

(a) refrain from applying or enforcing any other moneys, security or rights held or received by the Lender (or any trustee or agent on its behalf) in respect of those amounts, or apply and enforce the same in such manner and order as it sees fit (whether against those amounts or otherwise) and the Corporate Guarantor shall not be entitled to the benefit of the same; and

(b) hold in an interest-bearing suspense account any moneys received from the Corporate Guarantor or on account of the Corporate Guarantor's liability under this Clause 17 (*Guarantee and Indemnity*).

17.7 Deferral of Corporate Guarantor's rights

All rights which the Corporate Guarantor at any time has (whether in respect of this guarantee, a mortgage or any other transaction) against either Borrower, any other Transaction Obligor or their respective assets shall be fully subordinated to the rights of the Lender under the Finance Documents and until the end of the Security Period and unless the Lender otherwise directs, the Corporate Guarantor will not exercise any rights which it may have (whether in respect of any Finance Document to which it is a Party or any other transaction) by reason of performance by it of its obligations under the Finance Documents or by reason of any amount being payable, or liability arising, under this Clause 17 (*Guarantee and Indemnity*):

(a) to be indemnified by a Transaction Obligor;

(b) to claim any contribution from any third party providing security for, or any other guarantor of, any Transaction Obligor's obligations under the Finance Documents;

(c) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Lender under the Finance Documents or of any other guarantee or security taken pursuant to, or in connection with, the Finance Documents by the Lender;

(d) to bring legal or other proceedings for an order requiring any Transaction Obligor to make any payment, or perform any obligation, in respect of which the Corporate Guarantor has given a guarantee, undertaking or indemnity under Clause 17.1 (*Guarantee and indemnity*);

(e) to exercise any right of set-off against any Transaction Obligor; and/or

(f) to claim or prove as a creditor of any Transaction Obligor in competition with the Lender.

If the Corporate Guarantor receives any benefit, payment or distribution in relation to such rights it shall hold that benefit, payment or distribution to the extent necessary to enable all amounts which may be or become payable to the Lender by the Transaction Obligors under or in connection with the Finance Documents to be repaid in full on trust for the Lender and shall promptly pay or transfer the same to the Lender or as the Lender may direct for application in accordance with Clause 30 (*Payment Mechanics*).

17.8 Additional security

This guarantee and any other Security given by the Corporate Guarantor is in addition to and is not in any way prejudiced by, and shall not prejudice, any other guarantee or Security or any other right of recourse now or subsequently held by the Lender or any right of set-off or netting or right to combine accounts in connection with the Finance Documents.

17.9 Applicability of provisions of Guarantee to other Security

Clauses 17.2 (*Continuing guarantee*), 17.3 (*Reinstatement*), 17.4 (*Waiver of defences*), 17.5 (*Immediate recourse*), 17.6 (*Appropriations*), 17.7 (*Deferral of Corporate Guarantor's rights*) and 17.8 (*Additional security*) shall apply, with any necessary modifications, to any Security which the Corporate Guarantor creates (whether at the time at which it signs this Agreement or at any later time) to secure the Secured Liabilities or any part of them.

18 JOINT AND SEVERAL LIABILITY OF THE BORROWERS

18.1 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.

18.2 Waiver of defences

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;

(b) the Lender entering into any rescheduling, refinancing or other arrangement of any kind with the other Borrower;

(c) the Lender releasing the other Borrower or any Security created by a Finance Document;

(d) any time, waiver or consent granted to, or composition with the other Borrower or other person;

(e) the release of the other Borrower or any other person under the terms of any composition or arrangement with any creditor of any member of the Group;

(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 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 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; or

(j) any insolvency or similar proceedings.

18.3 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 neither Borrower shall, in any circumstances, be construed to be a surety for the obligations of the other Borrower under this Agreement.

18.4 Borrower restrictions

(a) Subject to paragraph (b) below, during the Security Period neither Borrower shall:

(i) claim any amount which may be due to it from the other Borrower whether in respect of a payment made under, or matter arising out of, this Agreement or any Finance Document, or any matter unconnected with this Agreement or any Finance Document;

(ii) take or enforce any form of security from the other Borrower for such an amount, or in any way seek to have recourse in respect of such an amount against any asset of the other Borrower;

(iii) set off such an amount against any sum due from it to the other Borrower;

(iv) prove or claim for such an amount in any liquidation, administration, arrangement or similar procedure involving the other Borrower; or

(v) exercise or assert any combination of the foregoing.

(b) If during the Security Period, the Lender, by notice to a Borrower, requires it to take any action referred to in paragraph (a) above in relation to the other Borrower, that Borrower shall take that action as soon as practicable after receiving the Lender's notice.

18.5 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 and unless the Lender otherwise directs, neither 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; or

(b) to claim any contribution from the other Borrower in relation to any payment made by it under the Finance Documents.

SECTION 8

REPRESENTATIONS, UNDERTAKINGS AND EVENTS OF DEFAULT

19 REPRESENTATIONS

19.1 General

Each Obligor makes the representations and warranties set out in this Clause 19 (*Representations*) to the Lender on the date of this Agreement.

19.2 Status

(a) It and each other Transaction Obligor is a corporation, duly incorporated and validly existing in good standing under the law of its Original Jurisdiction.

(b) It and each other Transaction Obligor has the power to own its assets and carry on its business as it is being conducted.

19.3 Share capital and ownership

(a) Each Borrower is authorised to issue 500 registered shares with no par value.

(b) The legal title to and beneficial interest in the shares in each Borrower is held by the Shareholder free of any Security (other than Permitted Security) or any other claim.

(c) None of the shares in either Borrower is subject to any option to purchase, pre-emption rights or similar rights.

19.4 Binding obligations

The obligations expressed to be assumed by each Transaction Obligor in each Transaction Document to which it is a party are such Transaction Obligor is a party are legal, valid, binding, and enforceable obligations.

19.5 Validity, effectiveness and ranking of Security

(a) Each Finance Document to which each Transaction Obligor is a party does now or, as the case may be, will upon execution and delivery create the Security it purports to create over any assets to which such Security, by its terms, relates, and such Security will, when created or intended to be created, be valid and effective.

(b) No third party has or will have any Security (except for Permitted Security) over any assets that are the subject of any Transaction Security granted by each Transaction Obligor.

(c) The Transaction Security granted by each Transaction Obligor to the Lender has or will when created or intended to be created have first ranking priority or such other priority it is expressed to have in the Finance Documents and is not subject to any prior ranking or *pari passu* ranking Security.

(d) No concurrence, consent or authorisation of any person is required for the creation of or otherwise in connection with any Transaction Security.

19.6 Non-conflict with other obligations

The entry into and performance by each Transaction Obligor of, and the transactions contemplated by, each Transaction Document to which it is a party do not and will not conflict with:

(a) any law or regulation applicable to it;

(b) its constitutional documents, if applicable; or

(c) any agreement or instrument binding upon it or any of its assets or constitute a default or termination event (however described) under any such agreement or instrument.

19.7 Power and authority

(a) Each Transaction Obligor has the power to enter into, perform and deliver, and has taken all necessary action to authorise:

(i) its entry into, performance and delivery of, each Transaction Document to which it is or will be a party and the transactions contemplated by those Transaction Documents; and

(ii) in the case of a Borrower, its registration of its Ship under the Approved Flag.

(b) No limit on its powers will be exceeded as a result of the borrowing, granting of security or giving of guarantees or indemnities contemplated by the Transaction Documents to which each corporate Transaction Obligor is a party.

19.8 Validity and admissibility in evidence

All Authorisations required or desirable:

(a) to enable each Transaction Obligor lawfully to enter into, exercise its rights and comply with its obligations in the Transaction Documents to which it is a party; and

(b) to make the Transaction Documents to which it is a party admissible in evidence in its Relevant Jurisdictions,

have been obtained or effected and are in full force and effect.

19.9 Governing law and enforcement

(a) The choice of governing law of each Transaction Document to which each Transaction Obligor is a party will be recognised and enforced in its Relevant Jurisdictions.

(b) Any judgment obtained in relation to a Transaction Document to which each Transaction Obligor is a party in the jurisdiction of the governing law of that Transaction Document will be recognised and enforced in its Relevant Jurisdictions.

19.10 Insolvency

No:

(a) corporate action, legal proceeding or other procedure or step described in paragraph (a) of Clause 27.8 (*Insolvency proceedings*); or

(b) creditors' process described in Clause 27.9 (*Creditors' process*),

has been taken or, to its knowledge, threatened in relation to a member of the Group; and none of the circumstances described in Clause 27.7 (*Insolvency*) applies to a member of the Group.

19.11 No filing or stamp taxes

Under the laws of its Relevant Jurisdictions it is not necessary that the Finance Documents to which each Transaction Obligor is a party be registered, filed, recorded, notarised or enrolled with any court or other authority in that jurisdiction or that any stamp, registration, notarial or similar Taxes or fees be paid on or in relation to the Finance Documents to which each Transaction Obligor is a party or the transactions contemplated by those Finance Documents except the registration of the Mortgages under the relevant Approved Flag which registration, filings and any related taxes and fees will be made and paid promptly after the date of the relevant Finance Documents.

19.12 Deduction of Tax

Each Transaction Obligor is not required to make any Tax Deduction from any payment it may make under any Finance Document to which it is a party.

19.13 No default

(a) No Event of Default and, on the date of this Agreement and on each Utilisation Date, no Default is continuing or might reasonably be expected to result from the making of a Utilisation or the entry into, the performance of, or any transaction contemplated by, any Transaction Document.

(b) No other event or circumstance is outstanding which constitutes a default or a termination event (however described) under any other agreement or instrument which is binding on it or to which its assets are subject.

19.14 No misleading information

(a) Any factual information provided by any member of the Group for the purposes of this Agreement was true and accurate in all material respects as at the date it was provided or as at the date (if any) at which it is stated.

(b) The financial projections contained in any such information have been prepared on the basis of recent historical information and on the basis of reasonable assumptions.

(c) Nothing has occurred or been omitted from any such information and no information has been given or withheld that results in any such information being untrue or misleading in any material respect.

19.15 Financial Statements

(a) The Original Financial Statements were prepared in accordance with GAAP consistently applied.

(b) The Original Financial Statements give a true and fair view of the Group's financial condition as at the end of the relevant financial year and its results of operations during the relevant financial year (consolidated in the case of the Corporate Guarantor).

(c) There has been no material adverse change in its assets, business or financial condition (or the assets, business or consolidated financial condition of the Group, in the case of the Corporate Guarantor) since 31 December 2021.

(d) Its most recent financial statements delivered pursuant to Clause 20.2 (*Financial statements*):

(i) have been prepared in accordance with Clause 20.3 (*Requirements as to financial statements*); and

(ii) give a true and fair view of (if audited) or fairly represent (if unaudited) its financial condition as at the end of the relevant financial year and operations during the relevant financial year (consolidated in the case of the Corporate Guarantor).

(e) Since the date of the most recent financial statements delivered pursuant to Clause 20.2 (*Financial statements*) there has been no material adverse change in its business, assets or financial condition (or the business or consolidated financial condition of the Group, in the case of the Corporate Guarantor).

19.16 Pari passu ranking

Each Transaction Obligor's payment obligations under the Finance Documents to which it is a party rank at least *pari passu* with the claims of all its other unsecured and unsubordinated creditors, except for obligations mandatorily preferred by law applying to companies generally.

19.17 No proceedings pending or threatened

(a) No litigation, arbitration or administrative proceedings or investigations (including proceedings or investigations relating to any alleged or actual breach of the ISM Code or of the ISPS Code) of or before any court, arbitral body or agency have (to the best of its knowledge and belief (having made due and careful enquiry)) been started against it or any other Transaction Obligor and which is reasonably likely to result in a Material Adverse Effect.

(b) No judgment or order of a court, arbitral tribunal or other tribunal or any order or sanction of any governmental or other regulatory body has (to the best of its knowledge and belief (having made due and careful enquiry)) been made against it or any other Transaction Obligor.

19.18 Valuations

(a) All information supplied by it or on its behalf to an Approved Valuer for the purposes of a valuation delivered to the Lender in accordance with this Agreement was true and accurate as at the date it was supplied or (if appropriate) as at the date (if any) at which it is stated to be given.

(b) It has not omitted to supply any information to an Approved Valuer which, if disclosed, would adversely affect any valuation prepared by such Approved Valuer.

(c) There has been no change to the factual information provided pursuant to paragraph (a) above in relation to any valuation between the date such information was provided and the date of that valuation which, in either case, renders that information untrue or misleading in any material respect.

19.19 No breach of laws

It has not (and no other member of the Group has) breached any law or regulation.

19.20 No Charter

No Ship is subject to any Charter other than the Initial Charter.

19.21 Compliance with Environmental Laws

All Environmental Laws relating to the ownership, operation and management of each Ship and the business of each member of the Group (as now conducted and as reasonably anticipated to be conducted in the future) and the terms of all Environmental Approvals have been complied with.

19.22 No Environmental Claim

No Environmental Claim has been made against any member of the Group or any Ship.

19.23 No Environmental Incident

No Environmental Incident has occurred and no person has claimed that an Environmental Incident has occurred.

19.24 ISM and ISPS Code compliance

All requirements of the ISM Code and the ISPS Code as they relate to each Borrower, the Approved Manager and each Ship have been complied with.

19.25 Taxes paid

(a) It is not and no other member of the Group is overdue in the filing of any Tax returns and it is not (and no other member of the Group is) overdue in the payment of any amount in respect of Tax.

(b) No claims or investigations are being, or are reasonably likely to be, made or conducted against it (or any other member of the Group) with respect to Taxes.

19.26 Financial Indebtedness

Neither Borrower has any Financial Indebtedness outstanding other than Permitted Financial Indebtedness.

19.27 Overseas companies

No Transaction Obligor has delivered particulars, whether in its name stated in the Finance Documents or any other name, of any UK Establishment to the Registrar of Companies as required under the Overseas Regulations or, if it has so registered, it has provided to the Lender sufficient details to enable an accurate search against it to be undertaken by the Lender at the Companies Registry.

19.28 Good title to assets

Each Transaction Obligor has good, valid and marketable title to, or valid leases or licences of, and all appropriate Authorisations to use, the assets necessary to carry on its business as presently conducted.

19.29 Ownership

(a) Borrower A is the sole legal and beneficial owner of Ship A, its Earnings and its Insurances.

(b) Borrower B is the sole legal and beneficial owner of Ship B, its Earnings and its Insurances.

(c) With effect on and from the date of its creation or intended creation, each Transaction Obligor will be the sole legal and beneficial owner of any asset that is the subject of any Transaction Security created or intended to be created by such Transaction Obligor.

(d) The constitutional documents of each Transaction Obligor do not and could not restrict or inhibit any transfer of the shares of the Borrowers on creation or enforcement of the security conferred by the Security Documents.

19.30 Centre of main interests and establishments

For the purposes of The Council of the European Union Regulation No. 2015/848 on Insolvency Proceedings (recast) (the "**Regulation**"), its centre of main interest (as that term is used in Article 3(1) of the Regulation) is not situated in the United Kingdom or the US and it has no "establishment" (as that term is used in Article 2(10) of the Regulation) in any other jurisdiction.

19.31 Place of business

No Transaction Obligor has a place of business in any country other than Greece and the head office functions of each Transaction Obligor are carried out care of the Approved Manager in Athens, Greece.

19.32 No employee or pension arrangements

No Obligor has any employees or any liabilities under any pension scheme.

19.33 Sanctions

(a) No Transaction Obligor:

(i) is a Prohibited Person;

(ii) is owned or controlled by or acting directly or indirectly on behalf of or for the benefit of, a Prohibited Person;

(iii) owns or controls a Prohibited Person; or

(iv) has a Prohibited Person serving as a director, officer or, to the best of its knowledge, employee.

(b) No proceeds of the Loan or any part of the Loan shall be made available, directly or indirectly, to or for the benefit of a Prohibited Person nor shall they be otherwise directly or indirectly, applied in a manner or for a purpose prohibited by Sanctions.

19.34 US Tax Obligor

No Transaction Obligor is a US Tax Obligor.

19.35 Validity and copy of Initial Charters

The copy of each Initial Charter delivered to the Lender before the date of this Agreement is a true and complete copy thereof, and:

(a) each Initial Charter constitutes valid, binding and enforceable obligations of the parties thereto in accordance with its terms; and

(b) no amendment or addition to an Initial Charter has been agreed nor has any party waived any of its respective rights under it.

19.36 Repetition

The Repeating Representations are deemed to be made by each Obligor by reference to the facts and circumstances then existing on the date of each Utilisation Request, on each Utilisation Date and on the first day of each Interest Period.

20 INFORMATION UNDERTAKINGS

20.1 General

The undertakings in this Clause 20 (*Information Undertakings*) remain in force throughout the Security Period unless the Lender otherwise permits.

20.2 Financial statements

Each of the Borrowers and the Corporate Guarantor shall supply to the Lender:

(a) as soon as they same become available, but in any event within 120 days after the end of each of its respective financial year, the audited consolidated financial statements for that financial year in the case of the Corporate Guarantor and the audited non-consolidated financial statements for that financial year in the case of the Borrowers (or any financial statements in the form satisfactory to the Lender); and

(b) as soon as they become available, but in any event within 90 days after the end of each half of its respective financial year, its unaudited consolidated financial statements for that financial half year (or any financial statements in the form satisfactory to the Lender).

20.3 Requirements as to financial statements

(a) Each set of financial statements delivered by a Borrower or the Corporate Guarantor (as the case may be) pursuant to Clause 20.2 (*Financial statements*) shall be certified by a senior officer of the relevant company as giving a true and fair view (if audited) or fairly representing (if unaudited) its financial condition and operations as at the date as at which those financial statements were drawn up.

(b) The Borrowers shall procure that each set of financial statements delivered pursuant to Clause 20.2 (*Financial statements*) is prepared using GAAP.

(c) Each set of financial statements delivered by a Borrower or the Corporate Guarantor (as the case may be) pursuant to paragraphs (a) and (b) of Clause 20.2 (*Financial statements*) shall not contain any qualification by an auditor.

20.4 Information: miscellaneous

Each Obligor shall and shall procure that each other Transaction Obligor shall supply to the Lender:

(a) all documents dispatched by it to its shareholders (or any class of them) or its creditors generally at the same time as they are dispatched;

(b) promptly upon becoming aware of them, the details of any litigation, arbitration or administrative proceedings, judgment or investigations (including proceedings or investigations relating to any alleged or actual breach of the ISM Code or of the ISPS Code) which are current, threatened or pending against any member of the Group and which is reasonably likely to result in a Material Adverse Effect;

(c) promptly upon becoming aware of them, the details of any judgment or order of a court, arbitral body or agency which is made against any member of the Group and which is reasonably likely to result in a Material Adverse Effect;

(d) promptly, its constitutional documents where these have been amended or varied;

(e) promptly, such further information and/or documents regarding:

(i) each Ship, goods transported on each Ship, its Earnings and its Insurances;

(ii) the Security Assets;

(iii) compliance of the Transaction Obligors with the terms of the Finance Documents;

(iv) the financial condition, business and operations of any member of the Group,

as the Lender may reasonably request; and

(f) promptly, such further information and/or documents as the Lender may reasonably request so as to enable the Lender to comply with any laws applicable to it or as may be required by any regulatory authority.

20.5 Notification of Default

(a) Each Obligor shall, and shall procure that each other Transaction Obligor shall, notify the Lender of any Default (and the steps, if any, being taken to remedy it) promptly upon becoming aware of its occurrence.

(b) Promptly upon a request by the Lender, each Borrower shall supply to the Lender a certificate signed by a senior officer on its behalf certifying that no Default is continuing (or if a Default is continuing, specifying the Default and the steps, if any, being taken to remedy it).

20.6 "Know your customer" checks

If:

(a) the introduction of or any change in (or in the interpretation, administration or application of) any law or regulation made after the date of this Agreement;

(b) any change in the status of a Transaction Obligor (or the Holding Company of a Transaction Obligor) (including, without limitation, a change of ownership of a Transaction Obligor or the Holding Company of a Transaction Obligor) after the date of this Agreement; or

(c) a proposed assignment by the Lender of any of its rights under this Agreement,

obliges the Lender (or, in the case of paragraph (c) above, any prospective assignee) to comply with "know your customer" or similar identification procedures in circumstances where the necessary information is not already available to it, each Obligor shall, or shall procure that the relevant Transaction Obligor will, promptly upon the request of the Lender supply, or procure the supply of, such documentation and other evidence as is reasonably requested by the Lender (for itself or, in the case of the event described in paragraph (c) above, on behalf of any prospective assignee) in order for the Lender or, in the case of the event described in paragraph (c) above, any prospective assignee 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.

21 FINANCIAL COVENANTS

21.1 Minimum Liquidity Amount

The Borrowers shall ensure that on and from the first Utilisation Date and throughout the Security Period, a credit balance in an amount of not less than the Minimum Liquidity Amount is standing to the credit of the Minimum Liquidity Account, to be held by the Lender on behalf of each Borrower as a custodian and as security for the Secured Liabilities under this Agreement.

21.2 Application of Minimum Liquidity Amount in the case of Mandatory Prepayment and Event of Default

If, at any time throughout the Security Period, a Borrower is obliged to make a mandatory prepayment pursuant to the provisions of this Agreement or repay the Loan as a result of the occurrence of an Event of Default, the Lender may release and apply the Minimum Liquidity Amount towards such amount payable, including any outstanding principal, interest, costs or fees owing to the Lender in connection with this Agreement or any of the Finance Documents.

21.3 Release of Minimum Liquidity Amount

At the end of the Security Period, the Lender will return to the Borrowers' nominated account the Minimum Liquidity Amount standing to the credit of the Minimum Liquidity Account at the relevant time without any interest or the Borrowers may, at their discretion, set off the amount of the sixtieth (60th) Repayment Instalment due in respect of the Tranche to be drawn last against the Minimum Liquidity Amount standing to the credit of the Minimum Liquidity Account at the time of repayment of such Repayment Instalment.

21.4 Minimum Liquidity Amount in the case of insolvency of the Lender

In the event that any corporate action, legal proceedings or other similar legal procedure or similar legal step is taken in relation to:

(a) the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of the Lender and/or the Minimum Liquidity Account Bank;

(b) the appointment of a liquidator, receiver, administrator, administrative receiver, compulsory manager or other similar officer in respect of the Lender and/or the Minimum Liquidity Account Bank or any of its assets; or

(c) enforcement of any Security over any assets of the Lender and/or the Minimum Liquidity Account Bank,

or any analogous procedure or step is taken in any jurisdiction against the Lender and/or the Minimum Liquidity Account Bank and the Minimum Liquidity Amount is blocked in the Minimum Liquidity Account and cannot be released and/or transferred to the Borrowers' nominated account in accordance with the provisions of this Agreement, the Minimum Liquidity Amount standing to the credit of the Minimum Liquidity Account shall be automatically set off against the Loan and the Loan shall be reduced accordingly.

22 GENERAL UNDERTAKINGS

22.1 General

The undertakings in this Clause 22 (*General Undertakings*) remain in force throughout the Security Period except as the Lender may otherwise permit.

22.2 Authorisations

Each Obligor shall, and shall procure that each other Transaction Obligor will, promptly:

(a) obtain, comply with and do all that is necessary to maintain in full force and effect; and

(b) supply certified copies to the Lender of, any Authorisation required under any law or regulation of a Relevant Jurisdiction or the state of the Approved Flag at any time of each Ship to enable it to:

(i) perform its obligations under the Transaction Documents to which it is a party;

(ii) ensure the legality, validity, enforceability or admissibility in evidence in any Relevant Jurisdiction or in the state of the Approved Flag at any time of each Ship of any Transaction Document to which it is a party; and

(iii) own and operate each Ship (in the case of the Borrowers).

22.3 Compliance with laws

Each Obligor shall, and shall procure that each other Transaction Obligor will, comply in all respects with all laws and regulations to which it may be subject.

22.4 Environmental compliance

Each Obligor shall, and shall procure that each other Transaction Obligor will:

(a) comply with all Environmental Laws;

(b) obtain, maintain and ensure compliance with all requisite Environmental Approvals; and

(c) implement procedures to monitor compliance with and to prevent liability under any Environmental Law.

22.5 Environmental Claims

Each Obligor shall, and shall procure that each other Transaction Obligor will, (through the Corporate Guarantor) promptly upon becoming aware of the same, inform the Lender in writing of:

(a) any Environmental Claim against any Obligor which is current, pending or threatened and is expected to exceed $500,000; and

(b) any facts or circumstances which are reasonably likely to result in any Environmental Claim being commenced against any Obligor where such claim is expected to exceed $500,000 or any member of the Group and which Environmental Claim is reasonably likely to result in a Material Adverse Effect.

22.6 Taxation

(a) Each Obligor shall, and shall procure that each other Transaction Obligor will pay and discharge all Taxes imposed upon it or its assets within the time period allowed without incurring penalties unless and only to the extent that:

(i) such payment is being contested in good faith;

(ii) adequate reserves are maintained for those Taxes and the costs required to contest them and both have been disclosed in its latest financial statements delivered to the Lender under Clause 20.2 (*Financial statements*); and

(iii) such payment can be lawfully withheld.

(b) No Obligor shall and the Obligors shall procure that no other Transaction Obligor will, change its residence for Tax purposes.

22.7 Overseas companies

Each Obligor shall, and shall procure that each other Transaction Obligor will, promptly inform the Lender if it delivers to the Registrar particulars required under the Overseas Regulations of any UK Establishment and it shall comply with any directions given to it by the Lender regarding the recording of any Transaction Security on the register which it is required to maintain under The Overseas Companies (Execution of Documents and Registration of Charges) Regulations 2009.

22.8 No change to centre of main interests

No Obligor shall and shall procure that no other Transaction Obligor shall, change the location of its centre of main interest (as that term is used in Article 3(1) of the Regulation) from that stated in relation to it in Clause 19.30 (*Centre of main interests and establishments*) and it will create no "**establishment**" (as that term is used in Article 2 (10) of the Regulation) in any other jurisdiction.

22.9 Pari passu ranking

Each Obligor shall, and shall procure that each other Transaction Obligor will, ensure that at all times any unsecured and unsubordinated claims of the Lender against it under the Finance Documents rank at least *pari passu* with the claims of all its other unsecured and unsubordinated creditors except those creditors whose claims are mandatorily preferred by laws of general application to companies.

22.10 Title

(a) Borrower A shall hold the legal title to, and own the entire beneficial interest in Ship A, its Earnings and its Insurances.

(b) Borrower B shall hold the legal title to, and own the entire beneficial interest in Ship B, its Earnings and its Insurances.

(c) With effect on and from its creation or intended creation, each Transaction Obligor shall hold the legal title to, and own the entire beneficial interest in any other assets the subject of any Transaction Security created or intended to be created by that Transaction Obligor.

22.11 Negative pledge

(a) No Borrower shall, and the Borrowers shall procure that no other Transaction Obligor will, create or permit to subsist any Security over any of its assets which are, in the case of the Transaction Obligors other than the Borrowers, the subject of the Security created or intended to be created by the Finance Documents.

(b) Neither Borrower shall:

(i) sell, transfer or otherwise dispose of any of its assets on terms whereby they are or may be leased to or re-acquired by a Transaction Obligor;

(ii) sell, transfer or otherwise dispose of any of its receivables on recourse terms;

(iii) enter into any arrangement under which money or the benefit of a bank or other account may be applied, set-off or made subject to a combination of accounts; or

(iv) enter into any other preferential arrangement having a similar effect,

in circumstances where the arrangement or transaction is entered into primarily as a method of raising Financial Indebtedness or of financing the acquisition of an asset.

(c) Paragraphs (a) and (b) above do not apply to any Permitted Security.

22.12 Disposals

(a) Neither Borrower shall, enter into a single transaction or a series of transactions (whether related or not) and whether voluntary or involuntary to sell, lease, transfer or otherwise dispose of any asset (including without limitation any Ship, its Earnings or its Insurances).

(b) Paragraph (a) above does not apply to:

(i) any Charter as all Charters are subject to Clause 24.16 (*Restrictions on chartering, appointment of managers etc.*); and

(ii) any sale in respect of a Ship **provided that** the proceeds of such sale are sufficient to pay any amounts payable pursuant to Clause 7.5 (*Mandatory prepayment on sale, arrest or Total Loss*).

22.13 Merger

(a) No Obligor shall, and the Obligors shall procure that no other Transaction Obligor will, enter into any amalgamation, demerger, merger, consolidation, or corporate reconstruction.

(b) Paragraph (a) of this Clause 22.13 (*Merger*) shall not be applicable to any Transaction Obligor (other than the Borrowers) if in the case of such amalgamation, demerger, merger, consolidation, or corporate reconstruction between that Transaction Obligor and another entity, that Transaction Obligor remains the surviving entity of that amalgamation, demerger, merger, consolidation, or corporate reconstruction and as long as, no Event of Default has occurred and is continuing.

22.14 Change of business

(a) The Obligors shall procure that no substantial change is made to the general nature of their business from that carried on at the date of this Agreement.

(b) Neither Borrower shall engage in any business other than the ownership and operation of its Ship.

22.15 Financial Indebtedness

Neither Borrower will incur or permit to be outstanding any Financial Indebtedness except Permitted Financial Indebtedness.

22.16 Expenditure

Neither Borrower shall incur any expenditure, except for expenditure reasonably incurred in the ordinary course of owning, operating, maintaining and repairing its Ship.

22.17 Share capital

Neither Borrower shall:

(a) purchase, cancel or redeem any of its shares;

(b) increase or reduce its authorised shares;

(c) issue any further shares except to the Shareholders and provided such new shares are made subject to the terms of the Shares Security applicable to that Borrower immediately upon the issue of such new shares in a manner satisfactory to the Lender and the terms of that Shares Security are complied with;

(d) appoint any further director or officer of that Borrower (unless the provisions of the Shares Security applicable to that Borrower are complied with).

22.18 Dividends

Neither Borrower shall, following the occurrence of a Potential Event of Default or where any of the following would result in the occurrence of an Event of Default which is continuing:

(a) declare, make or pay any dividend, charge, fee or other distribution (or interest on any unpaid dividend, charge, fee or other distribution) (whether in cash or in kind) on or in respect of its shares (or any class of its shares);

(b) repay or distribute any dividend or share premium reserve;

(c) pay any management, advisory or other fee to or to the order of any of its shareholders; or

(d) redeem, repurchase, defease, retire or repay any of its shares or resolve to do so.

22.19 Other transactions

Neither Borrower shall:

(a) be the creditor in respect of any loan or any form of credit to any person other than another Transaction Obligor or a member of the Group and where such loan or form of credit is Permitted Financial Indebtedness;

(b) give or allow to be outstanding any guarantee or indemnity to or for the benefit of any person in respect of any obligation of any other person or enter into any document under which that Borrower assumes any liability of any other person other than any guarantee or indemnity given under the Finance Documents;

(c) enter into any material agreement other than:

(i) the Transaction Documents;

(ii) any other agreement expressly allowed under any other term of this Agreement; and

(d) enter into any transaction on terms which are, in any respect, less favourable to that Borrower than those which it could obtain in a bargain made at arms' length; or

(e) acquire any shares or other securities other than US or UK Treasury bills and certificates of deposit issued by major North American or European banks.

22.20 Unlawfulness, invalidity and ranking; Security imperilled

No Obligor shall, and the Obligors shall procure that no other Transaction Obligor will do (or fail to do) or cause or permit another person to do (or omit to do) anything which is likely to:

(a) make it unlawful for a Transaction Obligor to perform any of its obligations under the Transaction Documents;

(b) cause any obligation of a Transaction Obligor under the Transaction Documents to cease to be legal, valid, binding or enforceable;

(c) cause any Transaction Document to cease to be in full force and effect;

(d) cause any Transaction Security to rank after, or lose its priority to, any other Security; and

(e) imperil or jeopardise the Transaction Security.

22.21 Insurance

Without prejudice to Clause 23 (*Insurance Undertakings*), each Borrower shall, and shall procure that each other Transaction Obligor will, maintain insurances on and in relation to its business and assets with reputable underwriters or insurance companies against those risks usually insured against by prudent companies carrying on a similar business to that Borrower or that Transaction Obligor (as applicable).

22.22 Further assurance

(a) Each Obligor shall, and shall procure that each other Transaction Obligor will promptly, and in any event within the reasonable time period specified by the Lender do all such acts (including procuring or arranging any registration, notarisation or authentication or the giving of any notice) or execute or procure execution of all such documents (including assignments, transfers, mortgages, charges, notices, instructions, acknowledgments, proxies and powers of attorney), as the Lender may specify (and in such form as the Lender may require in favour of the Lender or its nominee(s)):

(i) to create, perfect, vest in favour of the Lender or protect the priority of the Security or any right of any kind created or intended to be created under or evidenced by the Finance Documents (which may include the execution of a mortgage, charge, assignment or other Security over all or any of the assets which are, or are intended to be, the subject of the Transaction Security) or for the exercise of any rights, powers and remedies of the Lender or any Receiver or Delegate provided by or pursuant to the Finance Documents or by law;

(ii) to confer on the Lender Security over any property and assets of that Transaction Obligor located in any jurisdiction equivalent or similar to the Security intended to be conferred by or pursuant to the Finance Documents;

(iii) to facilitate or expedite the realisation and/or sale of, the transfer of title to or the grant of, any interest in or right relating to the assets which are, or are intended to be, the subject of the Transaction Security or to exercise any power specified in any Finance Document in respect of which the Security has become enforceable; and/or

(iv) to enable or assist the Lender to enter into any transaction to commence, defend or conduct any proceedings and/or to take any other action relating to any item of the Security Property.

(b) Each Obligor shall, and shall procure that each other Transaction Obligor will take all such action as is available to it (including making all filings and registrations) as may be necessary for the purpose of the creation, perfection, protection or maintenance of any Security conferred or intended to be conferred on the Lender by or pursuant to the Finance Documents.

(c) At the same time as an Obligor delivers to the Lender any document executed by itself or another Transaction Obligor pursuant to this Clause 22.22 (*Further assurance*).

(d) That Obligor shall deliver, or shall procure that such other Transaction Obligor will deliver, to the Lender a certificate signed by one of that Obligor's or Transaction Obligor's officers which shall:

(i) set out the text of a resolution of that Obligor's or Transaction Obligor's directors specifically authorising the execution of the document specified by the Lender; and

(ii) state that either the resolution was duly passed at a meeting of the directors validly convened and held, throughout which a quorum of directors entitled to vote on the resolution was present, or that the resolution has been signed by all the officers and is valid under that Obligor's or that Transaction Obligor's articles of association or other constitutional documents.

23 INSURANCE UNDERTAKINGS

23.1 General

The undertakings in this Clause 23 (*Insurance Undertakings*) remain in force from the date of this Agreement throughout the rest of the Security Period except as the Lender may otherwise permit (such permission not to be unreasonably withheld in the case of Clause 23.13 (*Settlement of claims*)).

23.2 Maintenance of obligatory insurances

Each Borrower shall keep the Ship owned by it insured at its expense against:

(a) fire and usual marine risks (including hull and machinery and excess risks);

(b) war risks;

(c) protection and indemnity risks; and

(d) any other risks against which the Lender considers, having regard to practices and other circumstances prevailing at the relevant time, it would be reasonable for that Borrower to insure and which are specified by the Lender by notice to that Borrower.

23.3 Terms of obligatory insurances

Each Borrower shall effect such insurances:

(a) in dollars;

(b) in the case of hull and machinery, fire and usual marine risks and war risks, in an amount on an agreed value basis at least the greater of:

(i) an amount which equals 120 per cent. the Tranche relevant to such Ship; and

(ii) the Market Value of that Ship;

(c) in the case of oil pollution liability risks, for an aggregate amount equal to the highest level of cover from time to time available under basic protection and indemnity club entry and in the international marine insurance market but in any case no less than $1,000,000,000;

(d) in the case of protection and indemnity risks, in respect of the full tonnage of its Ship;

(e) on approved terms; and

(f) through Approved Brokers and with approved insurance companies and/or underwriters or, in the case of war risks and protection and indemnity risks, in approved war risks and protection and indemnity risks associations.

23.4 Further protections for the Lender

In addition to the terms set out in Clause 23.3 (*Terms of obligatory insurances*), each Borrower shall procure that the obligatory insurances effected by it shall:

(a) subject always to paragraph (b), name that Borrower as the sole named insured unless the interest of every other named insured is limited:

(i) in respect of any obligatory insurances for hull and machinery and war risks;

(A) to any provable out-of-pocket expenses that it has incurred and which form part of any recoverable claim on underwriters; and

(B) to any third party liability claims where cover for such claims is provided by the policy (and then only in respect of discharge of any claims made against it); and

(ii) in respect of any obligatory insurances for protection and indemnity risks, to any recoveries it is entitled to make by way of reimbursement following discharge of any third party liability claims made specifically against it;

and every other named insured has undertaken in writing to the Lender (in such form as it requires) that any deductible shall be apportioned between that Borrower and every other named insured in proportion to the gross claims made or paid by each of them and that it shall do all things necessary and provide all documents, evidence and information to enable the Lender to collect or recover any moneys which at any time become payable in respect of the obligatory insurances;

(b) whenever the Lender requires, name (or be amended to name) the Lender as additional named insured for its rights and interests, warranted no operational interest and with full waiver of rights of subrogation against the Lender, but without the Lender being liable to pay (but having the right to pay) premiums, calls or other assessments in respect of such insurance;

(c) name the Lender as loss payee with such directions for payment as the Lender may specify;

(d) provide that all payments by or on behalf of the insurers under the obligatory insurances to the Lender shall be made without set off, counterclaim or deductions or condition whatsoever;

(e) provide that the obligatory insurances shall be primary without right of contribution from other insurances which may be carried by the Lender; and

(f) provide that the Lender may make proof of loss if that Borrower fails to do so.

23.5 Renewal of obligatory insurances

Each Borrower shall:

(a) at least 21 days before the expiry of any obligatory insurance effected by it:

(i) notify the Lender of the Approved Brokers (or other insurers) and any protection and indemnity or war risks association through or with which it proposes to renew that obligatory insurance and of the proposed terms of renewal; and

(ii) obtain the Lender's approval to the matters referred to in sub-paragraph (i) above;

(b) at least 14 days before the expiry of any obligatory insurance, renew that obligatory insurance in accordance with the Lender's approval pursuant to paragraph (a) above; and

(c) procure that the Approved Brokers and/or the approved war risks and protection and indemnity associations with which such a renewal is effected shall promptly after the renewal notify the Lender in writing of the terms and conditions of the renewal.

23.6 Copies of policies; letters of undertaking

Each Borrower shall ensure that the Approved Brokers provide the Lender with:

(a) *pro forma* copies of all policies relating to the obligatory insurances which they are to effect or renew; and

(b) a letter or letters of undertaking in a form required by the Lender and including undertakings by the Approved Brokers that:

(i) they will have endorsed on each policy, immediately upon issue, a loss payable clause and a notice of assignment complying with the provisions of Clause 23.4 (*Further protections for the Lender*);

(ii) they will hold such policies, and the benefit of such insurances, to the order of the Lender in accordance with such loss payable clause;

(iii) they will advise the Lender immediately of any material change to the terms of the obligatory insurances;

(iv) they will, if they have not received notice of renewal instructions from the relevant Borrower or its agents, notify the Lender not less than 14 days before the expiry of the obligatory insurances;

(v) if they receive instructions to renew the obligatory insurances, they will promptly notify the Lender of the terms of the instructions;

(vi) they will not set off against any sum recoverable in respect of a claim relating to the Ship owned by that Borrower under such obligatory insurances any premiums or other amounts due to them or any other person whether in respect of that Ship or otherwise, they waive any lien on the policies, or any sums received under them, which they might have in respect of such premiums or other amounts and they will not cancel such obligatory insurances by reason of non-payment of such premiums or other amounts; and

(vii) they will arrange for a separate policy to be issued in respect of the Ship owned by that Borrower forthwith upon being so requested by the Lender.

23.7 Copies of certificates of entry

Each Borrower shall ensure that any protection and indemnity and/or war risks associations in which the Ship owned by it is entered provide the Lender with:

(a) a certified copy of the certificate of entry for that Ship;

(b) a letter or letters of undertaking in such form as may be required by the Lender; and

(c) a certified copy of each certificate of financial responsibility for pollution by oil or other Environmentally Sensitive Material issued by the relevant certifying authority in relation to that Ship.

23.8 Deposit of original policies

Each Borrower shall ensure that all policies relating to obligatory insurances effected by it are deposited with the Approved Brokers through which the insurances are effected or renewed.

23.9 Payment of premiums

Each Borrower shall punctually pay all premiums or other sums payable in respect of the obligatory insurances effected by it and produce all relevant receipts when so required by the Lender.

23.10 Guarantees

Each Borrower shall ensure that any guarantees required by a protection and indemnity or war risks association are promptly issued and remain in full force and effect.

23.11 Compliance with terms of insurances

(a) Neither Borrower shall do or omit to do (nor permit to be done or not to be done) any act or thing which would or might render any obligatory insurance invalid, void, voidable or unenforceable or render any sum payable under an obligatory insurance repayable in whole or in part.

(b) Without limiting paragraph (a) above, each Borrower shall:

(i) take all necessary action and comply with all requirements which may from time to time be applicable to the obligatory insurances, and (without limiting the obligation contained in sub-paragraph (iii) of paragraph (b) of Clause 23.6 (*Copies of policies; letters of undertaking*)) ensure that the obligatory insurances are not made subject to any exclusions or qualifications to which the Lender has not given its prior approval;

(ii) not make any changes relating to the classification or classification society or manager or operator of the Ship owned by it approved by the underwriters of the obligatory insurances;

(iii) make (and promptly supply copies to the Lender of) all quarterly or other voyage declarations which may be required by the protection and indemnity risks association in which the Ship owned by it is entered to maintain cover for trading to the United States of America and Exclusive Economic Zone (as defined in the United States Oil Pollution Act 1990 or any other applicable legislation); and

(iv) not employ the Ship owned by it, nor allow it to be employed, otherwise than in conformity with the terms and conditions of the obligatory insurances, without first obtaining the consent of the insurers and complying with any requirements (as to extra premium or otherwise) which the insurers specify.

23.12 Alteration to terms of insurances

Neither Borrower shall make or agree to any alteration to the terms of any obligatory insurance or waive any right relating to any obligatory insurance.

23.13 Settlement of claims

Each Borrower shall:

(a) not settle, compromise or abandon any claim under any obligatory insurance for Total Loss, Requisition or for a Major Casualty; and

(b) do all things necessary and provide all documents, evidence and information to enable the Lender to collect or recover any moneys which at any time become payable in respect of the obligatory insurances.

23.14 Provision of copies of communications

Each Borrower shall provide the Lender, at the time of each such communication, with copies of all written communications between that Borrower and:

(a) the Approved Brokers;

(b) the approved protection and indemnity and/or war risks associations; and

(c) the approved insurance companies and/or underwriters,

which relate directly or indirectly to:

(i) that Borrower's obligations relating to the obligatory insurances including, without limitation, all requisite declarations and payments of additional premiums or calls; and

(ii) any credit arrangements made between that Borrower and any of the persons referred to in paragraphs (a) or (b) above relating wholly or partly to the effecting or maintenance of the obligatory insurances.

23.15 Provision of information

Each Borrower shall promptly provide the Lender (or any persons which it may designate) with any information which the Lender (or any such designated person) requests for the purpose of:

(a) obtaining or preparing any report from an independent marine insurance broker as to the adequacy of the obligatory insurances effected or proposed to be effected; and/or

(b) effecting, maintaining or renewing any such insurances as are referred to in Clause 23.16 (*Mortgagee's interest and additional perils insurances*) or dealing with or considering any matters relating to any such insurances,

and the Borrowers shall, forthwith upon demand, indemnify the Lender in respect of all fees and other expenses incurred by or for the account of the Lender in connection with any such report as is referred to in paragraph (a) above.

23.16 Mortgagee's interest and additional perils insurances

(a) The Lender shall be entitled from time to time to effect, maintain and renew a mortgagee's interest marine insurance in an amount of not less than 120 per cent. of the Loan and mortgagee's additional perils insurance in an amount acceptable to the Lender, on such terms, through such insurers and generally in such manner as the Lender may from time to time consider appropriate.

(b) The Borrowers shall upon demand fully indemnify the Lender in respect of all premiums and other expenses which are incurred in connection with or with a view to effecting, maintaining or renewing any insurance referred to in paragraph (a) above or dealing with, or considering, any matter arising out of any such insurance.

24 GENERAL SHIP UNDERTAKINGS

24.1 General

The undertakings in this Clause 24 (*General Ship Undertakings*) remain in force on and from the date of this Agreement and throughout the rest of the Security Period except as the Lender may otherwise permit (such permission not to be unreasonably withheld or delayed in the cases of Clauses 24.2 (c) and (d), 24.16 and 24.20).

24.2 Ships' names and registration

Each Borrower shall, in respect of the Ship owned by it:

(a) keep that Ship registered in the relevant Borrower's name under the Approved Flag from time to time at its port of registration;

(b) not do or allow to be done anything as a result of which such registration might be suspended, cancelled or imperilled;

(c) not enter into any dual flagging arrangement in respect of that Ship; and

(d) not change the name of that Ship,

provided that any change of flag of a Ship shall be subject to:

(i) the Lender's prior written consent;

(ii) that Ship remaining subject to Security securing the Secured Liabilities created by a first priority or preferred ship mortgage on that Ship and, if appropriate, a first priority deed of covenant collateral to that mortgage (or equivalent first priority Security) on substantially the same terms as the Mortgage on that Ship and on such other terms and in such other form as the Lender shall approve or require; and

(iii) the execution of such other documentation amending and supplementing the Finance Documents as the Lender shall approve or require.

24.3 Repair and classification

Each Borrower shall keep the Ship owned by it in a good and safe condition and state of repair:

(a) consistent with first class ship ownership and management practice; and

(b) so as to maintain the Approved Classification free of overdue recommendations and conditions affecting that Ship's class.

24.4 Classification society undertaking

Each Borrower shall in respect of the Ship owned by it instruct the relevant Approved Classification Society (and procure that the Approved Classification Society undertakes with the Lender):

(a) to send to the Lender, following receipt of a written request from the Lender, certified true copies of all original class records held by the Approved Classification Society in relation to that Ship;

(b) to allow the Lender (or its agents), at any time and from time to time, to inspect the original class and related records of that Borrower and that Ship at the offices of the Approved Classification Society and to take copies of them;

(c) to notify the Lender immediately in writing if the Approved Classification Society:

(i) receives notification from that Borrower or any person that that Ship's Approved Classification Society is to be changed (such change to be subject to the Lender's prior written consent); or

(ii) becomes aware of any facts or matters which may result in or have resulted in a change, suspension, discontinuance, withdrawal or expiry of that Ship's class under the rules or terms and conditions of that Borrower or that Ship's membership of the Approved Classification Society;

(d) following receipt of a written request from the Lender:

(i) to confirm that that Borrower is not in default of any of its contractual obligations or liabilities to the Approved Classification Society, including confirmation that that Borrower has paid in full all fees or other charges due and payable to the Approved Classification Society; or

(ii) to confirm that that Borrower is in default of any of its contractual obligations or liabilities to the Approved Classification Society, to specify to the Lender in reasonable detail the facts and circumstances of such default, the consequences of such default, and any remedy period agreed or allowed by the Approved Classification Society.

24.5 Modifications

Neither Borrower shall make any modification or repairs to, or replacement of, any Ship or equipment installed on it which would or might materially alter the structure, type or performance characteristics of that Ship or materially reduce its value.

24.6 Removal and installation of parts

(a) Subject to paragraph (b) below, neither Borrower shall remove any material part of any Ship, or any item of equipment installed on any Ship unless:

(i) the part or item so removed is forthwith replaced by a suitable part or item which is in the same condition as or better condition than the part or item removed;

(ii) the replacement part or item is free from any Security in favour of any person other than the Lender; and

(iii) the replacement part or item becomes, on installation on that Ship, the property of that Borrower and subject to the security constituted by the Mortgage on that Ship.

(b) A Borrower may install equipment owned by a third party if the equipment can be removed without any risk of damage to the Ship owned by that Borrower.

24.7 Surveys

Each Borrower shall submit the Ship owned by it regularly to all periodic or other surveys which may be required for classification purposes and, if so required by the Lender, provide the Lender, with copies of all survey reports.

24.8 Inspection

Each Borrower shall permit the Lender (acting through surveyors or other persons appointed by it for that purpose) to board the Ship owned by it at all reasonable times to inspect its condition or to satisfy themselves about proposed or executed repairs and shall afford all proper facilities for such inspections.

24.9 Prevention of and release from arrest

(a) Each Borrower shall, in respect of the Ship owned by it, promptly discharge:

(i) all liabilities which give or may give rise to maritime or possessory liens on or claims enforceable against that Ship, its Earnings or its Insurances;

(ii) all Taxes, dues and other amounts charged in respect of that Ship, its Earnings or its Insurances; and

(iii) all other outgoings whatsoever in respect of that Ship, its Earnings or its Insurances.

(b) Each Borrower shall, immediately upon receiving notice of the arrest of the Ship owned by it or of its detention in exercise or purported exercise of any lien or claim, take all steps necessary to procure its release by providing bail or otherwise as the circumstances may require.

24.10 Compliance with laws etc.

Each Borrower shall and shall procure that each Approved Manager which is a member of the Group shall:

(a) comply, or procure compliance with all laws or regulations:

(i) relating to its business generally; and

(ii) relating to the Ship owned or operated by it, its ownership, employment, operation, management and registration,

including, but not limited to, the ISM Code, the ISPS Code, IAPPC, US OPA, and all Environmental Laws, all Sanctions and the laws of the Approved Flag;

(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 the Ship owned or operated by it 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, all Environmental Laws and Sanctions (or which would be contrary to Sanctions if Sanctions were binding on each Transaction Obligor).

24.11 ISPS Code

Without limiting paragraph (a) of Clause 24.10 (*Compliance with laws etc.*), each Borrower shall and shall procure that each Approved Manager which is a member of the Group shall:

(a) procure that the Ship owned or operated by it and the company responsible for that Ship's compliance with the ISPS Code comply with the ISPS Code;

(b) maintain an ISSC for that Ship; and

(c) notify the Lender immediately in writing of any actual or threatened withdrawal, suspension, cancellation or modification of the ISSC.

24.12 Sanctions and Ship trading

Without limiting Clause 24.10 (*Compliance with laws etc.*), each Borrower shall and shall procure that each Approved Manager which is a member of the Group shall procure:

(a) that the Ship owned or operated by it shall not be used by or for the benefit of a Prohibited Person;

(b) that such Ship shall not be used in trading in any manner contrary to Sanctions (or which could be contrary to Sanctions if Sanctions were binding on each Transaction Obligor);

(c) that such Ship shall not be traded in any manner which would trigger the operation of any sanctions limitation or exclusion clause (or similar) in the Insurances; and

(d) that each charterparty in respect of that Ship shall contain, for the benefit of that Borrower, language which gives effect to the provisions of paragraph (c) of Clause 24.10 (*Compliance with laws etc.*) as regards Sanctions and of this Clause 24.12 (*Sanctions and Ship trading*) and which permits refusal of employment or voyage orders if compliance would result in a breach of Sanctions (or which could be contrary to Sanctions if Sanctions were binding on each Transaction Obligor).

24.13 Trading in war zones or excluded areas

Neither Borrower shall cause or permit any Ship to enter or trade to any zone which is declared a war zone by any government or by that Ship's war risks insurers or which is otherwise excluded from the scope of coverage of the obligatory insurances unless:

(a) the prior written consent of the Lender has been given; and

(b) that Borrower has (at its expense) effected any special, additional or modified insurance cover which the Lender may require.

24.14 Provision of information

Without prejudice to Clause 20.4 (*Information: miscellaneous*) each Borrower shall, in respect of the Ship owned by it, promptly provide the Lender with any information which it requests regarding:

(a) that Ship, its employment, position and engagements;

(b) the Earnings and payments and amounts due to its master and crew;

(c) any expenditure incurred, or likely to be incurred, in connection with the operation, maintenance or repair of that Ship and any payments made by it in respect of that Ship;

(d) any towages and salvages; and

(e) its compliance, each Approved Manager's compliance and the compliance of that Ship with the ISM Code and the ISPS Code,

and, upon the Lender's request, promptly provide copies of any current Charter relating to that Ship, of any current guarantee of any such Charter, the Ship's Safety Management Certificate and any relevant Document of Compliance.

24.15 Notification of certain events

Each Borrower shall, in respect of the Ship owned by it, immediately notify the Lender by fax, confirmed forthwith by letter, of:

(a) any casualty to that Ship which is or is likely to be or to become a Major Casualty;

(b) any occurrence as a result of which that Ship has become or is, by the passing of time or otherwise, likely to become a Total Loss;

(c) any Requisition of a Ship;

(d) any requirement or recommendation made in relation to that Ship by any insurer or classification society or by any competent authority which is not complied with within the time frame imposed;

(e) any arrest or detention of that Ship or any exercise or purported exercise of any lien on that Ship or the Earnings;

(f) any intended dry docking of that Ship;

(g) any Environmental Claim made against that Borrower, an Approved Manager or in connection with that Ship, or any Environmental Incident;

(h) any claim for breach of the ISM Code or the ISPS Code being made against that Borrower, an Approved Manager or otherwise in connection with that Ship; or

(i) any other matter, event or incident, actual or threatened, the effect of which will or could lead to the ISM Code or the ISPS Code not being complied with,

and each Borrower shall keep the Lender advised in writing on a regular basis and in such detail as the Lender shall require as to that Borrower's, any such Approved Manager's or any other person's response to any of those events or matters.

24.16 Restrictions on chartering, appointment of managers etc.

Neither Borrower shall, in relation to the Ship owned by it:

(a) let that Ship on demise charter for any period;

(b) enter into any time, voyage or consecutive voyage charter in respect of that Ship other than a Permitted Charter;

(c) amend, supplement or terminate a Management Agreement;

(d) appoint a manager of that Ship other than an Approved Manager or agree to any alteration to the terms of an Approved Manager's appointment;

(e) de activate or lay up that Ship; or

(f) put that Ship into the possession of any person for the purpose of work being done upon it in an amount exceeding or likely to exceed the lesser of (a) an amount equal to ten per cent. of the Loan outstanding and (b) $500,000 (or the equivalent in any other currency) unless 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 its Earnings for the cost of such work or for any other reason.

24.17 Notice of Mortgage

Each Borrower shall keep the relevant Mortgage registered against the Ship owned by it as a valid first preferred mortgage, carry on board that Ship a certified copy of the relevant Mortgage and place and maintain in a conspicuous place in the navigation room and the master's cabin of that Ship a framed printed notice stating that that Ship is mortgaged by that Borrower to the Lender.

24.18 Sharing of Earnings

Neither Borrower shall enter into any agreement or arrangement for the sharing of any Earnings.

24.19 Notification of compliance

Each Borrower shall, and shall procure that each Approved Manager shall, promptly provide the Lender from time to time with evidence (in such form as the Lender requires) that it is complying with this Clause 24 (*General Ship Undertakings*).

24.20 Initial Charters

Neither Borrower will amend, supplement or terminate the Initial Charter to which it is a party.

24.21 Charter Assignment

If a Borrower enters into any Charter (other than an Initial Charter) of a duration exceeding or capable of exceeding 12 months, that Borrower shall, at the request of the Lender, execute in favour of the Lender an assignment of such Charter, and shall deliver to the Lender such other documents equivalent to those referred to at paragraphs 1, 4 and 5 of Part A and 2 of Part B of Schedule 2 hereof as the Lender may require however any charterer's acknowledgement of any notice of assignment required to be provided by that Borrower under the said assignment shall be provided on a "best commercial efforts".

25 ACCOUNTS AND APPLICATION OF EARNINGS

25.1 Accounts

The Borrowers may not, without the prior consent of the Lender, maintain any bank account in relation to the Earnings other than the Earnings Accounts.

25.2 Application of Earnings

The Borrowers undertake with the Lender that money from time to time credited to, or for the time being standing to the credit of, the Earnings Accounts shall (i) unless and until an Event of Default shall have occurred (whereupon the provisions of Clause 30.2 (*Application of receipts; partial payments*) shall be and become applicable) or (ii) unless otherwise agreed in writing between the Borrowers and the Lender, be available for application in the following manner:

(a) in or towards making payments of all amounts due and payable by the Borrowers under this Agreement (other than payments of principal and interest);

(b) in or towards satisfaction of all amounts of interest or default interest payable to the Lender under the Finance Documents;

(c) in or towards satisfaction of the Loan;

(d) in or towards making payments of all fees due to an Approved Manager and thereafter meeting the costs and expenses from time to time incurred by or on behalf of the Borrowers in connection with the operation of a Ship directly or via the member of the Group designated as cash manager, Castor Maritime SCR Corp.; and

(e) as to any surplus from time to time arising on an Earnings Account following application as aforesaid, to be paid to the relevant Borrower or to whomsoever it may direct including the cash manager, Castor Maritime SCR Corp.

25.3 Payment of Earnings

Each Borrower shall ensure that, subject only to the provisions of the respective General and Charter Assignment, all the Earnings of each Borrower are paid into its Earnings Account.

25.4 Location of Accounts

Each Borrower shall promptly:

(a) comply with any requirement of the Lender as to the location or relocation of its Earnings Account; and

(b) execute any documents which the Lender specifies to create or maintain in favour of the Lender Security over (and/or rights of set-off, consolidation or other rights in relation to) its Earnings Account.

26 VALUATION

26.1 Provision of information

(a) Each Borrower shall promptly provide the Lender and any shipbroker providing a Market Value any information which the Lender or the shipbroker may request for the purposes of the valuation.

(b) If a Borrower fails to provide the information referred to in paragraph (a) above by the date specified in the request, the valuation may be made on any basis and assumptions which the shipbroker or the Lender considers prudent.

26.2 Provision of valuations

Each Borrower shall provide the Lender at its cost with a valuation of the Ship owned by it from an Approved Valuer, addressed to the Lender, to enable the Lender to determine the Market Value of that Ship on one occasion in each year provided that if an Event of Default occurs, the Lender may request such valuation at any time in its absolute discretion.

27 EVENTS OF DEFAULT

27.1 General

Each of the events or circumstances set out in this Clause 27 (*Events of Default*) is an Event of Default except for Clause 27.17 (*Acceleration*) and Clause 27.18 (*Enforcement of security*).

27.2 Non-payment

A Transaction Obligor does not pay on the due date any amount payable pursuant to a Finance Document at the place at and in the currency in which it is expressed to be payable unless:

(a) its failure to pay is caused by:

(i) administrative or technical error; or

(ii) a Disruption Event; and

(b) payment is made within 5 Business Days of its due date.

27.3 Specific obligations

A breach occurs of Clause 4.4 (*Waiver of conditions precedent*), Clause 21 (*Financial Covenants*), Clause 22.10 (*Title*), Clause 22.11 (*Negative pledge*), Clause 22.20 (*Unlawfulness, invalidity and ranking; Security imperilled*), Clause 23.2 (*Maintenance of obligatory insurances*), Clause 23.3 (*Terms of obligatory insurances*), Clause 23.5 (*Renewal of obligatory insurances*), Clause 23.9 (*Payment of premium*) or, save to the extent such breach is a failure to pay and therefore subject to Clause 27.2 (*Non-payment*).

27.4 Other obligations

(a) A Transaction Obligor does not comply with any provision of the Finance Documents (other than those referred to in Clause 27.2 (*Non-payment*) and Clause 27.3 (*Specific obligations*)).

(b) No Event of Default under paragraph (a) above will occur if the failure to comply is capable of remedy and is remedied within 10 Business Days of the Lender giving notice to the Borrowers or (if earlier) any Transaction Obligor becoming aware of the failure to comply.

27.5 Misrepresentation

Any representation or statement made or deemed to be made by a Transaction Obligor in the Finance Documents or any other document delivered by or on behalf of any Transaction Obligor under or in connection with any Finance Document is or proves to have been incorrect or misleading when made or deemed to be made.

27.6 Cross default

(a) Any Financial Indebtedness of any Obligor is not paid when due nor within any originally applicable grace period.

(b) Any Financial Indebtedness of any Obligor is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described).

(c) Any commitment for any Financial Indebtedness of any Obligor is cancelled or suspended by a creditor of any Obligor as a result of an event of default (however described).

(d) Any creditor of any Obligor becomes entitled to declare any Financial Indebtedness of any Obligor due and payable prior to its specified maturity as a result of an event of default (however described).

(e) No Event of Default will occur under this Clause 27.6 (Cross default) in respect of the Corporate Guarantor if the aggregate amount of Financial Indebtedness or commitment for Financial Indebtedness falling within paragraphs (a) to (d) above is less than $2,000,000 (or its equivalent in any other currency) at any relevant time.

27.7 Insolvency

(a) A Transaction Obligor:

(i) is unable or admits inability to pay its debts as they fall due;

(ii) is deemed to, or is declared to, be unable to pay its debts under applicable law;

(iii) suspends or threatens to suspend making payments on any of its debts; or

(iv) by reason of actual or anticipated financial difficulties, commences negotiations with one or more of its creditors (excluding the Lender in its capacity as such) with a view to rescheduling any of its indebtedness.

(b) The value of the assets of any Transaction Obligor is less than its liabilities (taking into account contingent and prospective liabilities).

(c) A moratorium is declared in respect of any indebtedness of any Transaction Obligor. If a moratorium occurs, the ending of the moratorium will not remedy any Event of Default caused by that moratorium.

(d) No Event of Default under paragraphs (a) to (c) above will occur if another Approved Manager is appointed by the Borrowers and such Approved Manager providing a duly executed Manager's Undertaking to the Lender within 30 days of the Lender giving notice to the Borrowers or (if earlier) any Transaction Obligor becoming aware of such events described above.

27.8 Insolvency proceedings

(a) Any corporate action, legal proceedings or other procedure or step is taken in relation to:

(i) the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of any Transaction Obligor;

(ii) a composition, compromise, assignment or arrangement with any creditor of any Transaction Obligor;

(iii) the appointment of a liquidator, receiver, administrator, administrative receiver, compulsory manager or other similar officer in respect of any Transaction Obligor or any of its assets; or

(iv) enforcement of any Security over any assets of any Transaction Obligor,

or any analogous procedure or step is taken in any jurisdiction.

(b) Paragraph (a) above shall not apply to any winding-up petition which is frivolous or vexatious and is discharged, stayed or dismissed within 14 days of commencement.

27.9 Creditors' process

Any expropriation, attachment, sequestration, distress or execution (or any analogous process in any jurisdiction) affects any asset or assets of a Transaction Obligor (other than an arrest or detention of a Ship referred to in paragraph (iii) of Clause 7.5 (*Mandatory prepayment on sale, arrest or Total Loss*)) and is not discharged within 14 days.

27.10 Unlawfulness, invalidity and ranking

(a) It is or becomes unlawful for a Transaction Obligor to perform any of its obligations under the Finance Documents.

(b) Any obligation of a Transaction Obligor under the Finance Documents is not or ceases to be legal, valid, binding or enforceable.

(c) Any Finance Document ceases to be in full force and effect or to be continuing or is or purports to be determined or any Transaction Security is alleged by a party to it (other than the Lender) to be ineffective.

(d) Any Transaction Security proves to have ranked after, or loses its priority to, any other Security.

27.11 Security imperilled

Any Security created or intended to be created by a Finance Document is in any way imperilled or in jeopardy.

27.12 Cessation of business

(a) Any Transaction Obligor suspends or ceases to carry on (or threatens to suspend or cease to carry on) all or a material part of its business.

(b) No Event of Default under paragraph (a) above will occur if another Approved Manager is appointed by the Borrowers and such Approved Manager providing a duly executed Manager's Undertaking to the Lender within 30 days of the Lender giving notice to the Borrowers or (if earlier) any Transaction Obligor becoming aware of such event described above.

27.13 Expropriation

The authority or ability of an Obligor to conduct its business is limited or wholly or substantially curtailed by any seizure, expropriation, nationalisation, intervention, restriction or other action by or on behalf of any governmental, regulatory or other authority or other person in relation to an Obligor or any of its assets other than:

(a) an arrest or detention of a Ship referred to in paragraph (iii) of Clause 7.5 (*Mandatory prepayment on sale, arrest or Total Loss*); or

(b) any Requisition.

27.14 Repudiation and rescission of agreements

A Transaction Obligor (or any other relevant party) rescinds or purports to rescind or repudiates or purports to repudiate a Transaction Document or any of the Transaction Security or evidences an intention to rescind or repudiate a Transaction Document or any Transaction Security or a Transaction Document or any of the Transaction Security otherwise ceases to remain in full force and effect for any reason.

27.15 Litigation

Any litigation, arbitration or administrative proceedings or investigations of, or before, any court, arbitral body or agency are started, or any judgment or order of a court, arbitral body or agency is made, in relation to any of the Transaction Documents or the transactions contemplated in any of the Transaction Documents or against any Obligor or its assets (in the case of a Borrower which is reasonably likely to result in a Material Adverse Effect and in respect of the Corporate Guarantor if it's in excess of $2,000,000 or its equivalent in any other currency).

27.16 Material adverse change

Any event or circumstance occurs which has or is reasonably likely to have a Material Adverse Effect.

27.17 Acceleration

On and at any time after the occurrence of an Event of Default the Lender may by notice to the Borrowers:

(a) cancel the Commitment, whereupon it shall immediately be cancelled;

(b) declare that all or part of the Loan, together with accrued interest, and all other amounts accrued or outstanding under the Finance Documents be immediately due and payable, whereupon it shall become immediately due and payable; and/or

(c) declare that all or part of the Loan be payable on demand, whereupon it shall immediately become payable on demand by the Lender,

and the Lender may serve notices under paragraphs (a), (b) and (c) above simultaneously or on different dates and the Lender may take any action referred to in Clause 27.18 (*Enforcement of security*) simultaneously with or at any time after the service of any of such notice.

27.18 Enforcement of security

On and at any time after the occurrence of an Event of Default the Lender may take any action which, as a result of the Event of Default or any notice served under Clause 27.17 (*Acceleration*), the Lender is entitled to take under any Finance Document or any applicable law or regulation.

SECTION 9

THE LENDER AND THE OBLIGORS

28 CHANGES TO THE LENDER

28.1 Assignment by the Lender

Subject to this Clause 28 (*Changes to the Lender*), the Lender (the "**Existing Lender**") may assign all (but not part) of its rights under the Finance Documents to another bank or financial institution or to a trust, fund or other entity which is regularly engaged in or established for the purpose of making, purchasing or investing in loans, securities or other financial assets (the "**New Lender**") without the consent of either Borrower **provided that** the Existing Lender provides the Borrowers with 15 days prior written notice of such assignment and the Borrowers shall have the option to prepay the Loan without any prepayment fee.

28.2 Conditions of assignment

(a) If:

(i) the Existing Lender assigns any of its rights or obligations under the Finance Documents or changes its Facility Office; and

(ii) as a result of circumstances existing at the date the assignment or change occurs, a Transaction Obligor would be obliged to make a payment to the New Lender or the Existing Lender acting through its new Facility Office under Clause 12 (*Tax Gross Up and Indemnities*) or under that Clause as incorporated by reference or in full in any other Finance Document or Clause 13 (*Increased Costs*),

then the New Lender or the Existing Lender acting through its new Facility Office is only entitled to receive payment under those Clauses to the same extent as the Existing Lender would have been if the assignment or change had not occurred.

(b) Each Obligor on behalf of itself and each Transaction Obligor agrees that all rights and interests (present, future or contingent) which the Existing Lender has under or by virtue of the Finance Documents are assigned to the New Lender absolutely, free of any defects in the Existing Lender's title and of any rights or equities which the Borrowers or any other Transaction Obligor had against the Existing Lender.

28.3 Security over Lender's rights

In addition to the other rights provided to the Lender under this Clause 28 (*Changes to the Lender*), the Lender may without consulting with or obtaining consent from any Transaction Obligor, at any time charge, assign or otherwise create Security in or over (whether by way of collateral or otherwise) all or any of its rights under any Finance Document to secure obligations of the Lender including, without limitation:

(a) any charge, assignment or other Security to secure obligations to a federal reserve or central bank; and

(b) if the Lender is a fund, any charge, assignment or other Security granted to any holders (or trustee or representatives of holders) of obligations owed, or securities issued, by the Lender as security for those obligations or securities,

except that no such charge, assignment or Security shall:

(i) release the Lender from any of its obligations under the Finance Documents or substitute the beneficiary of the relevant charge, assignment or Security for the Lender as a party to any of the Finance Documents; or

(ii) require any payments to be made by a Transaction Obligor other than or in excess of, or grant to any person any more extensive rights than, those required to be made or granted to the Lender under the Finance Documents.

29 CHANGES TO THE TRANSACTION OBLIGORS

29.1 Assignment or transfer by Transaction Obligors

No Transaction Obligor may assign any of its rights or transfer any of its rights or obligations under the Finance Documents.

29.2 Additional Subordinated Creditors

(a) The Borrowers may request that any person becomes a Subordinated Creditor, with the prior approval of the Lender, by delivering to the Lender:

(i) a duly executed Subordination Agreement;

(ii) a duly executed Subordinated Debt Security; and

(iii) such constitutional documents, corporate authorisations and other documents and matters as the Lender may reasonably require, in form and substance satisfactory to the Lender, to verify that the person's obligations are legally binding, valid and enforceable and to satisfy any applicable legal and regulatory requirements.

(b) A person referred to in paragraph (a) above will become a Subordinated Creditor on the date the Lender enters into the Subordination Agreement and the Subordinated Debt Security delivered under paragraph (a) above.

SECTION 10

ADMINISTRATION

30 PAYMENT MECHANICS

30.1 Payments to the Lender

(a) On each date on which an Obligor is required to make a payment under a Finance Document, that Obligor shall make an amount equal to such payment available to the Lender (unless a contrary indication appears in a Finance Document) for value on the due date at the time and in such funds specified by the Lender as being customary at the time for settlement of transactions in the relevant currency in the place of payment.

(b) Payment shall be made to such account in the principal financial centre of the country of that currency (or, in relation to euro, in a principal financial centre in such Participating Member State or London, as specified by the Lender) and with such bank as the Lender, in each case, specifies.

30.2 Application of receipts; partial payments

(a) If the Lender receives a payment that is insufficient to discharge all the amounts then due and payable by an Obligor under the Finance Documents, the Lender may apply that payment towards the obligations of that Obligor under the Finance Documents in any manner it may decide.

(b) Paragraph (a) above will override any appropriation made by an Obligor.

30.3 No set-off by Obligors

All payments to be made by an Obligor under the Finance Documents shall be calculated and be made without (and free and clear of any deduction for) set-off or counterclaim.

30.4 Business Days

(a) Any payment under the Finance Documents which is due to be made on a day that is not a Business Day shall be made on the next Business Day in the same calendar month (if there is one) or the preceding Business Day (if there is not).

(b) During any extension of the due date for payment of any principal or an Unpaid Sum under this Agreement interest is payable on the principal or Unpaid Sum at the rate payable on the original due date.

30.5 Currency of account

(a) Subject to paragraphs (b) and (c) below, dollars is the currency of account and payment for any sum due from an Obligor under any Finance Document.

(b) Each payment in respect of costs, expenses or Taxes shall be made in the currency in which the costs, expenses or Taxes are incurred.

(c) Any amount expressed to be payable in a currency other than dollars shall be paid in that other currency.

30.6 Change of currency

(a) Unless otherwise prohibited by law, if more than one currency or currency unit are at the same time recognised by the central bank of any country as the lawful currency of that country, then:

(i) any reference in the Finance Documents to, and any obligations arising under the Finance Documents in, the currency of that country shall be translated into, or paid in, the currency or currency unit of that country designated by the Lender (after consultation with the Borrowers); and

(ii) any translation from one currency or currency unit to another shall be at the official rate of exchange recognised by the central bank for the conversion of that currency or currency unit into the other, rounded up or down by the Lender (acting reasonably).

(b) If a change in any currency of a country occurs, this Agreement will, to the extent the Lender (acting reasonably and after consultation with the Borrowers) specifies to be necessary, be amended to comply with any generally accepted conventions and market practice in the Relevant Interbank Market and otherwise to reflect the change in currency.

30.7 Currency conversion

The obligations of any Obligor to pay in the due currency shall only be satisfied to the extent of the amount of the due currency purchased after deducting the costs of conversion.

30.8 Disruption to Payment Systems etc.

If either the Lender determines (in its discretion) that a Disruption Event has occurred or the Lender is notified by a Borrower that a Disruption Event has occurred:

(a) the Lender may, and shall if requested to do so by a Borrower, consult with the Borrowers with a view to agreeing with the Borrowers such changes to the operation or administration of the Facility as the Lender may deem necessary in the circumstances;

(b) the Lender shall not be obliged to consult with the Borrowers in relation to any changes mentioned in paragraph (a) above if, in its opinion, it is not practicable to do so in the circumstances and, in any event, shall have no obligation to agree to such changes;

(c) any such changes agreed upon by the Lender and the Borrowers shall (whether or not it is finally determined that a Disruption Event has occurred) be binding upon the Parties and any Obligors as an amendment to (or, as the case may be, waiver of) the terms of the Finance Documents;

(d) the Lender shall not be liable for any damages, costs or losses to any person, any diminution in value or any liability whatsoever (including, without limitation for negligence, gross negligence or any other category of liability whatsoever but not including any claim based on the fraud of the Lender) arising as a result of its taking, or failing to take, any actions pursuant to or in connection with this Clause 30.8 (*Disruption to Payment Systems etc.*).

31 SET-OFF

The Lender may set off any matured obligation due from an Obligor under the Finance Documents (to the extent beneficially owned by the Lender) against any matured obligation owed by the Lender to that Obligor, regardless of the place of payment, booking branch or currency of either obligation. If the obligations are in different currencies, the Lender may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off.

32 CONDUCT OF BUSINESS BY THE LENDER

No provision of this Agreement will:

(a) interfere with the right of the Lender to arrange its affairs (tax or otherwise) in whatever manner it thinks fit;

(b) oblige the Lender to investigate or claim any credit, relief, remission or repayment available to it or the extent, order and manner of any claim; or

(c) oblige the Lender to disclose any information relating to its affairs (tax or otherwise) or any computations in respect of Tax.

33 NOTICES

33.1 Communications in writing

Any communication to be made under or in connection with the Finance Documents shall be made in writing and, unless otherwise stated, may be made by fax or letter.

33.2 Addresses

The address and fax number (and the department or officer, if any, for whose attention the communication is to be made) of each Party for any communication or document to be made or delivered under or in connection with the Finance Documents are:

(a) in the case of the Borrowers, that specified in Schedule 1 (*The Parties*); and

(b) in the case of any other Obligor or the Lender, that specified in Schedule 1 (*The Parties*) or, if it becomes a Party after the date of this Agreement, that notified in writing to the Lender on or before the date on which it becomes a Party;

or any substitute address, fax number or department or officer as an Obligor may notify to the Lender (or the Lender may notify to the other Parties, if a change is made by the Lender) by not less than five Business Days' notice.

33.3 Delivery

(a) Any communication or document made or delivered by one person to another under or in connection with the Finance Documents will only be effective:

(i) if by way of fax, when received in legible form; or

(ii) if by way of letter, when it has been left at the relevant address or five Business Days after being deposited in the post postage prepaid in an envelope addressed to it at that address,

and, if a particular department or officer is specified as part of its address details provided under Clause 33.2 (*Addresses*), if addressed to that department or officer.

(b) Any communication or document to be made or delivered to the Lender will be effective only when actually received by it and then only if it is expressly marked for the attention of the department or officer of the Lender specified in Schedule 1 (*The Parties*) (or any substitute department or officer as the Lender shall specify for this purpose).

(c) Any communication or document made or delivered to the Borrowers in accordance with this Clause will be deemed to have been made or delivered to each of the Transaction Obligors.

(d) Any communication or document which becomes effective, in accordance with paragraphs (a) to (c) above, after 5.00 p.m. in the place of receipt shall be deemed only to become effective on the following day.

33.4 Electronic communication

(a) Any communication to be made or document to be delivered by one Party to another under or in connection with the Finance Documents may be made or delivered 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 or delivery as specified in paragraph (a) above to be made between an Obligor 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 from of communication or delivery.

(c) Any such electronic communication or document as specified in paragraph (a) above made or delivered by one Party to another will be effective only when actually received (or made available) in readable form and in the case of any electronic communication or document made or delivered 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 or document 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 or document is sent or made available has its address for the purpose of this Agreement shall be deemed only to become effective on the following day.

(e) Any reference in a Finance Document to a communication being sent or received or a document being delivered shall be construed to include that communication or document being made available in accordance with this Clause 33.4 (*Electronic communication*).

33.5 English language

(a) Any notice given under or in connection with any Finance Document must be in English.

(b) All other documents provided under or in connection with any Finance Document must be:

(i) in English; or

(ii) if not in English, and if so required by the Lender, accompanied by a certified English translation prepared by a translator approved by the Lender and, in this case, the English translation will prevail unless the document is a constitutional, statutory or other official document.

34 CALCULATIONS AND CERTIFICATES

34.1 Accounts

In any litigation or arbitration proceedings arising out of or in connection with a Finance Document, the entries made in the accounts maintained by the Lender are *prima facie* evidence of the matters to which they relate.

34.2 Certificates and determinations

Any certification or determination by the Lender of a rate or amount under any Finance Document is, in the absence of manifest error, conclusive evidence of the matters to which it relates.

34.3 Day count convention

Any interest, commission or fee accruing under a Finance Document will accrue from day to day and is calculated on the basis of the actual number of days elapsed and a year of 360 days or, in any case where the practice in the Relevant Interbank Market differs, in accordance with that market practice.

35 PARTIAL INVALIDITY

If, at any time, any provision of a Finance Document is or becomes illegal, invalid or unenforceable in any respect under any law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions under the law of that jurisdiction nor the legality, validity or enforceability of such provision under the law of any other jurisdiction will in any way be affected or impaired.

36 REMEDIES AND WAIVERS

(a) No failure to exercise, nor any delay in exercising, on the part of the Lender or any Receiver or Delegate, any right or remedy under a Finance Document shall operate as a waiver of any such right or remedy or constitute an election to affirm any Finance Document. No election to affirm any Finance Document on the part of the Lender or any Receiver or Delegate shall be effective unless it is in writing. No single or partial exercise of any right or remedy shall prevent any further or other exercise or the exercise of any other right or remedy. The rights and remedies provided in each Finance Document are cumulative and not exclusive of any rights or remedies provided by law.

(b) No variation or amendment of a Finance Document shall be valid unless in writing and signed by the Lender.

37 ENTIRE AGREEMENT

(a) This Agreement, in conjunction with the other Finance Documents, constitutes the entire agreement between the Parties and supersedes all previous agreements, understandings and arrangements between them, whether in writing or oral, in respect of its subject matter.

(b) Each Obligor acknowledges that it has not entered into this Agreement or any other Finance Document in reliance on, and shall have no remedies in respect of, any representation or warranty that is not expressly set out in this Agreement or in any other Finance Document.

38 SETTLEMENT OR DISCHARGE CONDITIONAL

Any settlement or discharge under any Finance Document between the Lender and any Transaction Obligor shall be conditional upon no security or payment to the Lender by any Transaction Obligor or any other person being set aside, adjusted or ordered to be repaid, whether under any insolvency law or otherwise.

39 IRREVOCABLE PAYMENT

If the Lender considers that an amount paid or discharged by, or on behalf of, a Transaction Obligor or by any other person in purported payment or discharge of an obligation of that Transaction Obligor to the Lender under the Finance Documents is capable of being avoided or otherwise set aside on the liquidation or administration of that Transaction Obligor or otherwise, then that amount shall not be considered to have been unconditionally and irrevocably paid or discharged for the purposes of the Finance Documents.

40 CONFIDENTIAL INFORMATION

40.1 Confidentiality

The Lender agrees to keep all Confidential Information confidential and not to disclose it to anyone, save to the extent permitted by Clause 40.2 (*Disclosure of Confidential Information*) and to ensure that all Confidential Information is protected with security measures and a degree of care that would apply to its own confidential information.

40.2 Disclosure of Confidential Information

The Lender may disclose:

(a) to any of its Affiliates and Related Funds and any of its or their officers, directors, employees, professional advisers, auditors, insurers, insurance advisors, insurance brokers, partners and Representatives such Confidential Information as the Lender shall consider appropriate if any person to whom the Confidential Information is to be given pursuant to this paragraph (a) is informed in writing of its confidential nature and that some or all of such Confidential Information may be price-sensitive information except that there shall be no such requirement to so inform if the recipient is subject to professional obligations to maintain the confidentiality of the information or is otherwise bound by requirements of confidentiality in relation to the Confidential Information;

(b) to any person:

(i) to (or through) whom it assigns (or may potentially assign) all or any of its rights and/or obligations under one or more Finance Documents and, in each case, to any of that person's Affiliates, Related Funds, Representatives and professional advisers;

(ii) with (or through) whom it enters into (or may potentially enter into), whether directly or indirectly, any sub-participation in relation to, or any other transaction under which payments are to be made or may be made by reference to, one or more Finance Documents and/or one or more Transaction Obligors and to any of that person's Affiliates, Related Funds, Representatives and professional advisers;

(iii) appointed by the Lender or by a person to whom sub-paragraph (i) or (ii) of paragraph (b) above applies to receive communications, notices, information or documents delivered pursuant to the Finance Documents on its behalf;

(iv) who invests in or otherwise finances (or may potentially invest in or otherwise finance), directly or indirectly, any transaction referred to in sub-paragraph (i) or (ii) of paragraph (b) above;

(v) to whom information is required or requested to be disclosed by any court of competent jurisdiction or any governmental, banking, taxation or other regulatory authority or similar body, the rules of any relevant stock exchange or pursuant to any applicable law or regulation;

(vi) to whom information is required to be disclosed in connection with, and for the purposes of, any litigation, arbitrations, administrative or other investigations, proceedings or disputes;

(vii) to whom or for whose benefit the Lender charges, assigns or otherwise creates Security (or may do so) pursuant to Clause 28.3 (*Security over Lender's rights*);

(viii) who is a Party, a member of the Group or any related entity of a Transaction Obligor;

(ix) as a result of the registration of any Finance Document as contemplated by any Finance Document or any legal opinion obtained in connection with any Finance Document; or

(x) with the consent of the Borrowers;

in each case, such Confidential Information as the Lender shall consider appropriate if:

(A) in relation to sub-paragraphs (i), (ii) and (iii) of paragraph (b) above, the person to whom the Confidential Information is to be given has entered into a Confidentiality Undertaking except that there shall be no requirement for a Confidentiality Undertaking if the recipient is a professional adviser and is subject to professional obligations to maintain the confidentiality of the Confidential Information;

(B) in relation to sub-paragraph (iv) of paragraph (b) above, the person to whom the Confidential Information is to be given has entered into a Confidentiality Undertaking or is otherwise bound by requirements of confidentiality in relation to the Confidential Information they receive and is informed that some or all of such Confidential Information may be price-sensitive information;

(C) in relation to sub-paragraphs (v), (vi) and (vii) of paragraph (b) above, the person to whom the Confidential Information is to be given is informed of its confidential nature and that some or all of such Confidential Information may be price-sensitive information except that there shall be no requirement to so inform if, in the opinion of the Lender, it is not practicable so to do in the circumstances;

(c) to any person appointed by the Lender or by a person to whom sub-paragraph (i) or (ii) of paragraph (b) above applies to provide administration or settlement services in respect of one or more of the Finance Documents including without limitation, in relation to the trading of participations in respect of the Finance Documents, such Confidential Information as may be required to be disclosed to enable such service provider to provide any of the services referred to in this paragraph (c) if the service provider to whom the Confidential Information is to be given has entered in to a confidentiality agreement substantially in the form of the LMA Master Confidentiality Undertaking for Use With Administration/Settlement Service Providers or such other form of confidentiality undertaking agreed between the Borrowers and the Lender;

(d) to any rating agency (including its professional advisers) such Confidential Information as may be required to be disclosed to enable such rating agency to carry out its normal rating activities in relation to the Finance Documents and/or the Transaction Obligors if the rating agency to whom the Confidential Information is to be given is informed of its confidential nature and that some or all of such Confidential Information may be price-sensitive information.

40.3 Entire agreement

This Clause 40 (*Confidential Information*) constitutes the entire agreement between the Parties in relation to the obligations of the Lender under the Finance Documents regarding Confidential Information and supersedes any previous agreement, whether express or implied, regarding Confidential Information.

40.4 Inside information

The Lender acknowledges that some or all of the Confidential Information is or may be price-sensitive information and that the use of such information may be regulated or prohibited by applicable legislation including securities law relating to insider dealing and market abuse and the Lender undertakes not to use any Confidential Information for any unlawful purpose.

40.5 Notification of disclosure

The Lender agrees (to the extent permitted by law and regulation) to inform the Borrowers:

(a) of the circumstances of any disclosure of Confidential Information made pursuant to sub-paragraph (v) of paragraph (b) of Clause 40.2 (*Disclosure of Confidential Information*) except where such disclosure is made to any of the persons referred to in that paragraph during the ordinary course of its supervisory or regulatory function; and

(b) upon becoming aware that Confidential Information has been disclosed in breach of this Clause 40 (*Confidential Information*).

40.6 Continuing obligations

The obligations in this Clause 40 (*Confidential Information*) are continuing and, in particular, shall survive and remain binding on the Lender for a period of 12 months from the earlier of:

(a) the date on which all amounts payable by the Obligors under or in connection with this Agreement have been paid in full and all Commitment have been cancelled or otherwise cease to be available; and

(b) the date on which the Lender otherwise ceases to be the Lender.

41 CONFIDENTIALITY OF FUNDING RATES

41.1 Confidentiality and disclosure

(a) Each Obligor agrees to keep each Funding Rate confidential and not to disclose it to anyone, save to the extent permitted by paragraph (b) below.

(b) Each Obligor may disclose any Funding Rate, to:

(i) any of its Affiliates and any of its or their officers, directors, employees, professional advisers, auditors, partners and Representatives, if any person to whom that Funding Rate is to be given pursuant to this sub-paragraph (i) is informed in writing of its confidential nature and that it may be price sensitive information except that there shall be no such requirement to so inform if the recipient is subject to professional obligations to maintain the confidentiality of that Funding Rate or is otherwise bound by requirements of confidentiality in relation to it;

(ii) any person to whom information is required or requested to be disclosed by any court of competent jurisdiction or any governmental, banking, taxation or other regulatory authority or similar body, the rules of any relevant stock exchange or pursuant to any applicable law or regulation if the person to whom that Funding Rate is to be given is informed in writing of its confidential nature and that it may be price sensitive information except that there shall be no requirement to so inform if, in the opinion of the Lender or the relevant Obligor, as the case may be, it is not practicable to do so in the circumstances;

(iii) any person to whom information is required to be disclosed in connection with, and for the purposes of, any litigation, arbitration, administrative or other investigations, proceedings or disputes if the person to whom that Funding Rate is to be given is informed of its confidential nature and that it may be price sensitive information except that there shall be no requirement to so inform if, in the opinion of the Lender or the relevant Obligor, as the case may be, it is not practicable to do so in the circumstances; and

(iv) any person with the consent of the Lender.

41.2 Related obligations

(a) Each Obligor acknowledges that each Funding Rate is or may be price sensitive information and that its use may be regulated or prohibited by applicable legislation including securities law relating to insider dealing and market abuse and each Obligor undertakes not to use any Funding Rate for any unlawful purpose.

(b) The Lender and each Obligor agree (to the extent permitted by law and regulation) to inform the Lender:

(i) of the circumstances of any disclosure made pursuant to sub-paragraph (ii) of paragraph (b) of Clause 41.1 (*Confidentiality and disclosure*) except where such disclosure is made to any of the persons referred to in that paragraph during the ordinary course of its supervisory or regulatory function; and

(ii) upon becoming aware that any information has been disclosed in breach of this Clause 41 (*Confidentiality of Funding Rates*).

41.3 No Event of Default

No Event of Default will occur under Clause 27.4 (*Other obligations*) by reason only of an Obligor's failure to comply with this Clause 41 (*Confidentiality of Funding Rates*).

42 AMENDMENTS

42.1 Obligor Intent

Without prejudice to the generality of Clauses 1.2 (*Construction*) and 17.4 (*Waiver of defences*), each Obligor expressly confirms that it intends that any guarantee contained in this Agreement or any other Finance Document and any Security created by any Finance Document shall extend from time to time to any (however fundamental) variation, increase, extension or addition of or to any of the Finance Documents and/or any facility or amount made available under any of the Finance Documents for the purposes of or in connection with any of the following: business acquisitions of any nature; increasing working capital; enabling investor distributions to be made; carrying out restructurings; refinancing existing facilities; refinancing any other indebtedness; making facilities available to new borrowers; any other variation or extension of the purposes for which any such facility or amount might be made available from time to time; and any fees, costs and/or expenses associated with any of the foregoing.

43 COUNTERPARTS

Each Finance Document may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of the Finance Document.

SECTION 11

GOVERNING LAW AND ENFORCEMENT

44 GOVERNING LAW

This Agreement, including Clause 45.1 (*Arbitration*) and any non-contractual obligations arising out of or in connection with it are governed by English law.

45 ENFORCEMENT

45.1 Arbitration

(a) Any dispute arising out of and/or in connection with this Agreement (including a dispute regarding the existence, validity or termination of this Agreement and/or any non-contractual obligation arising out of and/or in connection with this Agreement) (a "**Dispute**"), shall be referred to and finally resolved by arbitration. Any such arbitration shall be conducted in accordance with English law and under the Arbitration Rules of the Singapore International Arbitration Centre ("**SIAC Rules**") current at the time when the arbitration proceedings are commenced. The SIAC Rules are deemed to have been incorporated by reference in this Clause 45.1 above (*Arbitration*).

(b) The seat of the arbitration shall be Singapore. The Tribunal shall consist of one arbitrator appointed by the Lender.

(c) The language of the arbitration shall be English.

(d) The Obligors irrevocably admit to the jurisdiction of an Arbitral Tribunal constituted in accordance with this Clause 45.1 (*Arbitration*) and any award published by such a Tribunal shall be final and unappealable save for appeals on the grounds of serious irregularity and, for the purposes of enforcing any award, judgement may be entered on an award by any court of competent jurisdiction.

(e) At any time before the Lender has appointed the arbitrator, the Lender may choose to submit a Dispute to any court of competent jurisdiction by giving written notice to the Obligors. If, by the time that the Lender serves such notice, the Obligors have already sought to refer that Dispute to arbitration by serving a notice upon the Lender requiring the Lender to appoint the arbitrator in accordance with this Clause 45.1 (*Arbitration*) above, the Obligors shall withdraw that notice promptly upon receipt of the Lender's notice choosing to submit that Dispute to a court of competent jurisdiction.

(f) For this purpose, the Obligors and the Lender hereby irrevocably: (i) submit to the non-exclusive jurisdiction of the High Court of Justice in England to settle any Dispute, (ii) accept that the High Court of Justice in England is an appropriate convenient forum in which to settle any Disputes and agree not to argue to the contrary.

45.2 Service of process

(a) Without prejudice to any other mode of service allowed under any relevant law, each Obligor:

(i) irrevocably appoints Hill Dickinson Services (London) Limited at its registered office for the time being presently at The Broadgate Tower, 20 Primrose Street, London EC2A 2EW, England as its agent for service of process in relation to any proceedings before the English courts in connection with any Finance Document; and

(ii) agrees that failure by a process agent to notify the relevant Obligor of the process will not invalidate the proceedings concerned.

(b) If any person appointed as an agent for service of process is unable for any reason to act as agent for service of process, the Borrowers (on behalf of all the Obligors) must immediately (and in any event within 5 Business days of such event taking place) appoint another agent on terms acceptable to the Lender. Failing this, the Lender may appoint another agent for this purpose.

This Agreement has been entered into on the date stated at the beginning of this Agreement.

SCHEDULE 1

THE PARTIES

PART A

THE OBLIGORS

Name of Borrower	**Place of Incorporation**	**Registration number (or equivalent, if any)**	**Address for Communication**
JERRY SHIPPING CO.	Republic of the Marshall Islands		
TOM SHIPPING CO.	Republic of the Marshall Islands		
Name of Corporate Guarantor	**Place of Incorporation**	**Registration number (or equivalent, if any)**	**Address for Communication**
CASTOR MARITIME INC.	Republic of the Marshall Islands		

PART B

THE ORIGINAL LENDER

Name of Original Lender	Commitment	Address for Communication
CHAILEASE INTERNATIONAL FINANCIAL SERVICES (SINGAPORE) PTE. LTD.	$22,500,000	

SCHEDULE 2

CONDITIONS PRECEDENT

PART A

CONDITIONS PRECEDENT TO INITIAL UTILISATION REQUEST

The following are the documents referred to in Clause 4.1 (*Initial conditions precedent*) required before service of the first Utilisation Request.

1 Obligors

1.1 A copy of the constitutional documents of each Transaction Obligor.

1.2 A copy of a resolution of the board of directors of each Transaction Obligor:

(a) approving the terms of, and the transactions contemplated by, the Finance Documents to which it is a party and resolving that it execute the Finance Documents to which it is a party;

(b) authorising a specified person or persons to execute the Finance Documents to which it is a party on its behalf; and

(c) authorising a specified person or persons, on its behalf, to sign and/or despatch all documents and notices (including, if relevant, a Utilisation Request and each Selection Notice) to be signed and/or despatched by it under, or in connection with, the Finance Documents to which it is a party.

1.3 An original of the power of attorney of any Transaction Obligor authorising a specified person or persons to execute the Finance Documents to which it is a party.

1.4 A specimen of the signature of each person authorised by the resolution referred to in paragraph 1.2 above.

1.5 A copy of a resolution signed by the holder(s) of the issued shares in each Transaction Obligor, approving the terms of, and the transactions contemplated by, the Finance Documents to which that Transaction Obligor is a party.

1.6 A certificate of each Transaction Obligor, (signed by an officer) confirming that borrowing or guaranteeing, as appropriate, the Commitment would not cause any borrowing, guaranteeing or similar limit binding on that corporate Transaction Obligor to be exceeded.

1.7 A certificate of each Transaction Obligor that is incorporated outside the UK (signed by an officer) certifying either that (i) it has not delivered particulars of any UK Establishment to the Registrar of Companies as required under the Overseas Regulations or (ii) it has a UK Establishment and specifying the name and registered number under which it is registered with the Registrar of Companies.

1.8 A certificate of an authorised signatory of the relevant Transaction Obligor certifying that each copy document relating to it specified in this Part A of Schedule 2 (*Conditions Precedent*) is correct, complete and in full force and effect as at a date no earlier than the date of this Agreement.

1.9 A good standing certificate of each Transaction Obligor.

2 Initial Charter Documents

2.1 A duly executed copy of each Initial Charter or recap of terms and the relevant novation agreements.

3 Finance Documents

3.1 A duly executed original of any Subordination Agreement and copies of any Subordinated Finance Document.

3.2 A duly executed original of any Finance Document not otherwise referred to in this Schedule 2 (*Conditions Precedent*).

3.3 A duly executed original of any other document required to be delivered by each Finance Document if not otherwise referred to this Schedule 2 (*Conditions Precedent*).

4 Security

A duly executed original of any Subordinated Debt Security.

5 Legal opinions

5.1 A legal opinion of Watson Farley & Williams Greece, legal advisers to the Lender in England substantially in the form obtained by the Lender before signing this Agreement.

5.2 If a corporate Transaction Obligor is incorporated in a jurisdiction other than England and Wales, a legal opinion of the legal advisers to the Lender in the relevant jurisdiction, substantially in the form obtained by the Lender before signing this Agreement.

6 Other documents and evidence

6.1 Evidence that any process agent referred to in Clause 45.2 (*Service of process*) has accepted its appointment.

6.2 A copy of any other Authorisation or other document, opinion or assurance which the Lender considers to be necessary or desirable (if it has notified the Borrowers accordingly) in connection with the entry into and performance of the transactions contemplated by any Transaction Document or for the validity and enforceability of any Transaction Document.

6.3 The Original Financial Statements.

6.4 Evidence that the fees, costs and expenses then due from the Borrowers pursuant to Clause 11 (*Fees*) and Clause 16 (*Costs and Expenses*) have been paid or will be paid by the first Utilisation Date.

6.5 Such evidence as the Lender may require for it to be able to satisfy its "know your customer" or similar identification procedures in relation to the transactions contemplated by the Finance Documents.

6.6 Evidence satisfactory to the Lender that the relevant Minimum Liquidity Amount has been deposited to the Minimum Liquidity Account.

PART B

CONDITIONS PRECEDENT TO UTILISATION

In this Part B of Schedule 2 (*Conditions Precedent*), "**Relevant Ship**" means the Ship which is to be financed by the Tranche being utilised on the relevant Utilisation Date and "**Relevant Borrower**" means the Borrower which is the owner of the Relevant Ship on the applicable Utilisation Date.

1 Borrowers

A certificate of an authorised signatory of each Borrower certifying that each copy document which it is required to provide under this Part B of Schedule 2 (*Conditions Precedent*) is correct, complete and in full force and effect as at the Utilisation Date.

2 Ship and other security

2.1 Duly executed original of the Shares Security (and of each document to be delivered under the Shares Security).

2.2 A duly executed original of the Mortgage, the General and Charter Assignment in respect of each Ship and of each document to be delivered under or pursuant to each of them together with documentary evidence that each Mortgage has been duly registered as a valid first preferred ship mortgage in accordance with the laws of the jurisdiction of the Approved Flag of the relevant Ship.

2.3 Documentary evidence that each Ship:

(a) is definitively and permanently registered in the name of the relevant Borrower under the Approved Flag applicable to Ship;

(b) is in the absolute and unencumbered ownership of the relevant Borrower save as contemplated by the Finance Documents;

(c) maintains the Approved Classification with the Approved Classification Society free of all overdue recommendations and conditions of the Approved Classification Society; and

(d) is insured in accordance with the provisions of this Agreement and all requirements in this Agreement in respect of insurances have been complied with.

2.4 Documents establishing that each Ship will, as from the Utilisation Date, be managed by its Approved Manager on terms acceptable to the Lender, together with:

(a) a Manager's Undertaking for each Approved Manager;

(b) a Co-Assured's Undertaking by any company, corporation or other person named as co-assured under the Insurances who has not delivered a General and Charter Assignment or a Manager's Undertaking; and

(c) copies of each Approved Manager's Document of Compliance and of each Ship's Safety Management Certificate (together with any other details of the applicable Safety Management System which the Lender requires) and of any other documents required under the ISM Code and the ISPS Code in relation to that Ship including without limitation an ISSC.

2.5 An opinion from an independent insurance consultant acceptable to the Lender on such matters relating to the Insurances as the Lender may require.

3 Legal opinions

Legal opinions of the legal advisers to the Lender in the jurisdiction of the Approved Flag of each Ship and such other relevant jurisdictions as the Lender may require.

4 Other documents and evidence

4.1 Evidence that the fees, costs and expenses then due from the Borrowers pursuant to Clause 11 (*Fees*) and Clause 16 (*Costs and Expenses*) have been paid or will be paid by the Utilisation Date.

4.2 A copy of any other Authorisation or other document, opinion or assurance which the Lender considers to be necessary or desirable (if it has notified the Borrowers accordingly) in connection with the entry into and performance of the transactions contemplated by any Transaction Document or for the validity and enforceability of any Transaction Document not previously supplied.

SCHEDULE 3

REQUESTS

PART C

UTILISATION REQUEST

From: **JERRY SHIPPING CO.**
TOM SHIPPING CO.

To: **CHAILEASE INTERNATIONAL FINANCIAL SERVICES (SINGAPORE) PTE. LTD.**

Dated: [●] 2022

Jerry Shipping Co. et al - $22,500,000 Facility Agreement dated [●] 2022 (the "Agreement")

1 We refer to the Agreement. This is a Utilisation Request. Terms defined in the Agreement have the same meaning in this Utilisation Request unless given a different meaning in this Utilisation Request.

2 We wish to borrow the Advance under Tranche [A][B] on the following terms:

Proposed Utilisation Date:	[●] (or, if that is not a Business Day, the next Business Day)
Amount:	[●] or, if less, the Available Facility
Interest Period for the first Advance:	1 Month

3 You are authorised and requested to deduct from the Advance under Tranche [A][B] prior to funds being remitted the following amounts set out against the following items:

Deductible Items	$
Minimum Liquidity Amount	
Facility Fee	
Net proceeds of Loan	_____

4 We confirm that each condition specified in Clause 4.1 (*Initial conditions precedent*) and Clause 4.2 (*Further conditions precedent*) of the Agreement as it relates to the Advance to which this Utilisation Request refers is satisfied on the date of this Utilisation Request.

5 The [net] proceeds of the Advance should be credited to [account].

6 This Utilisation Request is irrevocable.

Yours faithfully

[●]
authorised signatory for
JERRY SHIPPING CO.

[●]
authorised signatory for
TOM SHIPPING CO.

PART D

SELECTION NOTICE

From: **JERRY SHIPPING CO.**
TOM SHIPPING CO.

To: **CHAILEASE INTERNATIONAL FINANCIAL SERVICES (SINGAPORE) PTE. LTD.**

Dated: [●] 2022

Jerry Shipping Co. et al - $22,500,000 Facility Agreement dated [●] 2022 (the "Agreement")

7 We refer to the Agreement. This is a Selection Notice. Terms defined in the Agreement have the same meaning in this Selection Notice unless given a different meaning in this Selection Notice.

8 We request that the next Interest Period for the Loan be [●].

9 This Selection Notice is irrevocable.

Yours faithfully

[●]
authorised signatory for
JERRY SHIPPING CO.

[●]
authorised signatory for
TOM SHIPPING CO.

SCHEDULE 4

DETAILS OF THE SHIPS

Ship name	**Name of the Borrower owner**	**Type**	**GRT**	**NRT**	**Approved Flag**	**Approved Classification Society**	**Approved Classification**
"ARIANA A"	Jerry Shipping Co.	Bulk carrier	27,915	14,323	Marshall Islands	DNV	✠ 100 A5 E Container ship BWM (D2) SOLAS-II-2, Reg.19 NAV-O ✠ MC E CM-PS
"GABRIELA A"	Tom Shipping Co.	Bulk carrier	27915	14,045	Marshall Islands	DNV	✠ 100 A5 E Container ship BWM-S SOLAS-II-2, Reg.19 IW NAV-O ✠ MC E AUT CM-PS EP-D

SCHEDULE 5

TIMETABLES

Delivery of a duly completed Utilisation Request (Clause 5.1 (*Delivery of the Utilisation Request*)) or a Selection Notice (Clause 9.1 (*Selection of Interest Periods*))	Five Business Days before the intended Utilisation Date (Clause 5.1 (*Delivery of the Utilisation Request*)) or the expiry of the preceding Interest Period (Clause 9.1 (*Selection of Interest Periods*))
LIBOR is fixed	Quotation Day as of 11:00 am London time

EXECUTION PAGE

BORROWERS

SIGNED by)
attorney-in-fact)
for and on behalf of)
JERRY SHIPPING CO.)
in the presence of:)

Witness' signature:)
Witness' name:)
Witness' address:)

SIGNED by)
attorney-in-fact)
for and on behalf of)
TOM SHIPPING CO.)
in the presence of:)

Witness' signature:)
Witness' name:)
Witness' address:)

CORPORATE GUARANTOR
SIGNED by)
attorney-in-fact)
for and on behalf of)
CASTOR MARITIME INC.)
in the presence of:)

Witness' signature:)
Witness' name:)
Witness' address:)

ORIGINAL LENDER

SIGNED by)
)
duly authorised)
for and on behalf of)
CHAILEASE INTERNATIONAL FINANCIAL)
SERVICES (SINGAPORE) PTE. LTD.)
in the presence of:)

Witness' signature:)
Witness' name:)
Witness' address:)

Exhibit 4.16

AMENDED AND RESTATED MASTER MANAGEMENT AGREEMENT

This Amended and Restated Master Management Agreement (the **"Agreement"**) is dated as of the 28th day of July 2022, and shall be deemed effective as of the 1st day of July 2022 (the "**Effective Date**") is entered into by and between:

1. CASTOR MARITIME INC., a corporation duly organized and existing under the laws of the Marshall Islands with its registered office at [●], Marshall Islands (the **"CTRM"**);

2. CASTOR SHIPS S.A., a company duly organized and existing under the laws of the Marshall Islands with its registered office at [●], Marshall Islands, having established a branch office in Greece pursuant to the provisions of art. 25 of Law 27/1975 (formerly law 89/1967) at [●], Greece (the **"Manager"**); and

3. The shipowning corporations listed in Schedules A-1 and A-2 hereto (as such list may be supplemented and/or amended from time to time, the **"Shipowning Subsidiaries"** and together with CTRM collectively the **"Company"**)

(hereinafter collectively referred to as the **"Parties"** or individually as a **"Party"**)

and amends and restates in its entirety the Master Management Agreement by and between CTRM, the Shipowning Subsidiaries and the Manager dated September 1, 2020, as supplemented by the respective adhesion agreements.

WHEREAS:

(A) CTRM, directly or indirectly, wholly or partially, owns the Shipowning Subsidiaries, and each Shipowning Subsidiary, in turn, owns or charters in the vessels specified next to each Shipowning Subsidiary listed in Schedules A-1 and A-2, (which together with the Additional Vessels (as defined below) shall be hereinafter referred to as the "**Vessels**"); and

(B) The Manager has the benefit of expertise in the provision of technical management services, commercial management services and crew management services in respect of oceangoing cargo vessels, as well as in the administration and representation of shipowning companies generally, either on its own or through the appointment of one or more specialized Sub-manager(s) (as defined below); and

(C) Subject to the terms and conditions set forth herein, the Company has retained the Manager to provide certain technical, commercial, crew management services and administrative services in respect of the Vessels and the business affairs of the Company as described in more detail in this Agreement and the Schedules hereto and the Manager is willing and able to provide such Services.

NOW therefore, in consideration of the foregoing, the Parties hereto agree as follows:

Section 1. Definitions. In this Agreement, unless the context otherwise requires:

"Additional Vessels" means vessels not in the ownership of CTRM on the date of this Agreement, that CTRM may subsequently directly or indirectly wholly or partially purchase or charter in, to be managed by the Manager under the fee structure described herein. For the purposes of this Agreement, any such Additional Vessels to be managed by the Manager under the terms of this Agreement shall also be referred to herein as Vessels.

"Administrative Management Services" has the meaning set forth in Section 2(i) b. of this Agreement.

"Affiliate" of any specified Person (as defined below) means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For the purposes of this definition, "**control**", when used with respect to any specified Person, means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"Agreement" means this Amended and Restated Master Management Agreement.

"Board" means the Board of Directors of CTRM as same may be constituted from time to time.

"Business Day" means a day (excluding Saturdays and Sundays) on which banks are open for general business in Greece, Cyprus and New York.

"Change of Control in CTRM" shall mean the occurrence of any of the following events, following the Effective Date:

(i) the acquisition by an individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the United States Securities Exchange Act of 1934 (the "**Exchange Act**")) (a "**Person**") of beneficial ownership of any capital stock of CTRM if, after such acquisition, such Person beneficially owns (within the meaning of Rule 13d-3 under the Exchange Act) thirty percent (30%) or more of either (x) the then-outstanding shares of common stock of CTRM (the "**Outstanding CTRM Common Stock**") or (y) the combined voting power of the then-outstanding securities of CTRM entitled to vote generally in the election of directors (the "**Outstanding CTRM Voting Securities**"); *provided, however, that* for purposes of this subsection (i), the following acquisitions shall not constitute a Change of Control in CTRM: (1) any acquisition directly from CTRM; or (2) any acquisition by one or more Permitted Holders; or

(ii) a change in the composition of the Board that results in the Continuing Directors (as defined below) no longer constituting a majority of the CTRM Board (or, if applicable, the board of directors of a successor corporation to CTRM), where the term "**Continuing Director**" means at any date a member of the Board (x) who was a member of the Board on the Effective Date or (y) who was nominated or elected subsequent to such date by at least a majority of the directors who were Continuing Directors at the time of such nomination or election or whose election to the Board was recommended or endorsed by at least a majority of the directors who were Continuing Directors at the time of such nomination or election; *provided, however, that* there shall be excluded from this clause (y) any individual whose initial assumption of office occurred as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents, by or on behalf of a Person other than the Board; or

(iii) the consummation of a merger, consolidation, reorganization, recapitalization or share exchange involving CTRM, or a sale or other disposition of all or substantially all of the assets of CTRM (a "**Business Combination**"), unless, immediately following such Business Combination, in the resulting or acquiring corporation in such Business Combination (which shall include, without limitation, a corporation, which as a result of such transaction owns CTRM or substantially owns all of CTRM's assets either directly or through one or more subsidiaries) (such resulting or acquiring corporation is referred to herein as the "**Acquiring Corporation**") no Person, other than one or more Permitted Holders beneficially owns, directly or indirectly, thirty percent (30%) or more of the then-outstanding shares of common stock of the Acquiring Corporation, or of the combined voting power of the then-outstanding securities entitled to vote generally in the election of directors of the Acquiring Corporation; or

(iv) Mr. Petros Panagiotidis ceases to be the Chief Executive Officer of CTRM; or

(v) the liquidation or dissolution of CTRM.

"Commission Fees" has the meaning set forth in Section 6(vi) b. of this Agreement.

"Co-Manager" has the meaning set forth in Section 17(i) of this Agreement.

"Co-Manager's Daily Fees" has the meaning set forth in Section 17(i) c. of this Agreement.

"Company" means CTRM and Shipowning Subsidiaries, as defined below.

"CTRM" means CASTOR MARITIME INC., a corporation duly organized and existing under the laws of the Marshall Islands with its registered office at [●], Marshall Islands.

"Daily Ship Management Fees" means Per Bulk Carrier Vessel Management Fees and Per Tanker Vessel Management Fees.

"Dispute" has the meaning set forth in Section 15(i) of this Agreement.

"Effective Date" means the 1st day of July 2022.

"Environmental Laws" has the meaning set forth in Section 8(iv) of this Agreement.

"Extraordinary Management Fees" has the meaning set forth in Section 6(i) c. of this Agreement.

"Flat Management Fee" has the meaning set forth in Section 6(i) b. of this Agreement.

"Management Fees" means Extraordinary Management Fees, Daily Ship Management Fees and Flat Management Fee.

"Manager" means CASTOR SHIPS S.A., a company duly organized and existing under the laws of Marshall Islands with its registered office at [●], Marshall Islands, having established a branch office in Greece pursuant to the provisions of art. 25 of Law 27/1975 (formerly law 89/1967) at [●], Greece.

"MARPOL" has the meaning set forth in Schedule B, Section 2(iii) of this Agreement.

"OPA" has the meaning set forth in Schedule B, Section 2(iv) of this Agreement.

"Per Bulk Carrier Vessel Management Fees" has the meaning set forth in Section 6(i) a. of this Agreement.

"Per Tanker Vessel Management Fees" has the meaning set forth in Section 6(i) a. of this Agreement.

"Permitted Holders" means (i) Mr. Petros Panagiotidis and/or his ascendants, descendants and/or other immediate family members; (ii) any Affiliate of any of the foregoing; (iii) in the event of incapacity (as adjudicated by a court of competent jurisdiction) or death of any of the persons described in sub-clause (i), such person's estate, executor, administrator, committee or other personal representative, in each case who at any particular date will beneficially own or have the right to acquire, directly or indirectly, capital stock or Outstanding CTRM Common Stock or Outstanding CTRM Voting Securities owned by such person; or (iv) any trusts, general partnerships or limited partnerships created for the benefit of the persons described in sub-clauses (i) or (iii) or any trust for the benefit of any such trust, general partnership or limited partnership.

"Reimbursable Expenses" has the meaning set forth in Section 6(iv) of this Agreement.

"Services" means Administrative Management Services and Ship Management Services.

"Ship Management Services" has the meaning set forth in Section 2(i) a. of this Agreement.

"Ship Management Agreement" has the meaning set forth in Section 2(i) a. of this Agreement.

"Shipowning Subsidiaries" means the shipowning corporations listed in Schedules A-1 and A-2 of this Agreement.

"Sub-manager" has the meaning set forth in Section 17(ii) of this Agreement.

"Term" has the meaning set forth in Section 9(i) of this Agreement.

"Termination Fee" shall be equal to seven (7) times the total amount of the Flat Management Fee calculated on an annual basis (i.e. four (4) times the quarterly Flat Management Fee applicable in the calendar year, during which the termination takes place, multiplied by seven (7)) and is additional to the termination fees provided under each Ship Management Agreement. The Parties hereby agree that the Termination Fee is reasonable, proportionate and customary for management contracts of this type with publicly listed shipping companies and their respective subsidiaries especially in view of the agreed Term and considering the investment, the personnel and other resources that the Manager is required to maintain for the purposes of performing its obligations under this Agreement and each Ship Management Agreement.

"Vessels" has the meaning set forth in the recitals of this Agreement and includes all vessels set out in Schedules A-1 and A-2 to this Agreement as of the date hereof and any Additional Vessels.

Section 2. Services.

(i) In consideration of the payment of the Management Fees (as specified below, in Section 6), the Manager shall, on its own or through one or more Sub-manager(s), provide to the Company and the Vessels:

a. technical management services, commercial management services and crew management services (the **"Ship Management Services"**) as set forth in Schedule B to this Agreement and in more detail in the ship management agreement(s) that shall be entered into between the Manager and each of the Shipowning Subsidiaries, which shall be based on the BIMCO Shipman 98 form (or such other form of management agreement that may be agreed between the Parties from time to time) (the **"Ship Management Agreement(s)"**); for the avoidance of doubt the terms and conditions of this Agreement in relation to the Ship Management Services to be provided by the Manager to the Vessels shall prevail over the terms and conditions of the relevant Ship Management Agreement(s) to the extent the two are inconsistent or in conflict;

b. administrative support services set forth in Schedule C to this Agreement (the **"Administrative Management Services"**) (together with the Ship Management Services, the **"Services"**).

(ii) The Manager shall provide all or such portion of the Services, pursuant to the instructions and supervision of the Company, based on the Manager's policies and standards, which shall not be less than customary international ship management practices and standards and shall take all actions as the Manager may from time to time, at its discretion, consider to be necessary to enable it to perform the Services in accordance with sound commercial, technical, crew and operational ship management standards and with the care, diligence and skill that a prudent manager of oceangoing cargo vessels, similar to the Vessels, would possess and exercise, being in compliance with all relevant and applicable rules and regulations.

Section 3. Covenants. During the term of this Agreement the Manager shall:

(i) diligently provide or sub-contract (in accordance with Section 17 hereof) all or part of the Services to the Company as an independent contractor, and be responsible to the Company for the due and proper performance of same;

(ii) retain at all times qualified and competent staff so as to maintain a level of expertise sufficient to provide the Services; and

(iii) keep full and proper books, records and accounts showing clearly all transactions relating to its provision of the Services in accordance with established general commercial practices and in accordance with United States generally accepted accounting principles and other regulatory and environmental safety standards.

Section 4. Non-exclusivity. The Manager and its employees may provide services of a nature similar to the Services set forth in this Agreement to any other person and/or entity. There is no obligation for the Manager to provide the Services to the Company on an exclusive basis.

Section 5. Confidential Information.

(i) Any non-publically available information relating to the Company or its business or trade secrets, which the Manager may obtain pursuant to this Agreement, shall be kept confidential and not be disclosed to any third party during or after termination of this Agreement. Any information relating to the Manager or its business or trade secrets, which the Company may obtain pursuant to this Agreement, shall be kept confidential and not be disclosed to any third party during or after termination of this Agreement. All rights to and concerning such information remain vested in the Party disclosing it, in particular with regard to any and all intellectual property rights, and nothing in any disclosure made hereunder shall be construed as granting any patent, copyright or rights of use or similar industrial property rights which may now or hereinafter exist in the information, to the Party receiving it.

(ii) The following disclosures shall not be deemed to constitute a violation of this Section 5:

a. to the auditors or to the financial and legal advisors or to any other consultants of any Party to this Agreement;

b. as far as necessary to implement and enforce any of the terms of this Agreement;

c. where a Party is under a legal or regulatory obligation to make such disclosure, but limited to the extent of that legal or regulatory obligation;

d. to the extent that it is already in the public domain (other than as a result of a Party's breach of this Agreement); or

e. with the prior written consent of the other Parties to this Agreement.

(iii) The Parties agree to take all reasonable steps to make their directors, officers, employees, agents and other Affiliates aware of the terms of this Section 5 and to ensure that the latter shall observe those terms.

Section 6. Management Fees.

(i) In consideration of the Services provided by the Manager to the Company under this Agreement and the relevant Ship Management Agreement(s), the following fees shall be paid to the Manager:

a. US$ 925 per bulk carrier Vessel per day (the **"Per Bulk Carrier Vessel Management Fees"**) and US$ 975 per tanker Vessel per day (the **"Per Tanker Vessel Management Fees"**), accrued on a daily basis, for the provision of the services provided in the relevant Ship Management Agreement(s) and in this Agreement, which may be adjusted from time to time by written agreement of the Company and the Manager (collectively the **"Daily Ship Management Fees"**);

b. US$ 750,000 per quarter during the Term of this Agreement, which is an amount expressly agreed to compensate the Manager for the Administrative Management Services, as provided in this Agreement, and which are not covered by the services provided under the separate Ship Management Agreement(s) (the **"Flat Management Fee"**);

c. Extraordinary Fees and Costs as set forth in Schedule D to this Agreement for extraordinary management services to be provided by the Manager, which are not included in the Services mentioned above (the **"Extraordinary Management Fees"** and together with the Daily Ship Management Fees and the Flat Management Fee, the **"Management Fees"**).

The Daily Ship Management Fees and the Flat Management Fee (described under sub-Sections 6(i) a. and b. above) will be adjusted annually on the anniversary of the Effective Date of this Agreement to account for the CPI (Consumer Price Index) of USA and Greece weighted equally as the above have changed over the preceding 12 months and as published by the official authorities of these two countries.

(ii) The Daily Ship Management Fees shall be paid to the Manager by the relevant Shipowning Subsidiary by monthly instalments in advance, within the first five (5) Business Days of each calendar month. The Manager shall have the right to demand payment of the Daily Ship Management Fees in relation to each Vessel from CTRM in case the relevant Shipowning Subsidiary is in default of paying the Daily Ship Management Fees, and shall have the right to demand the performance of all other obligations of each Shipowning Subsidiary under the terms of each Ship Management Agreement in case of default of the relevant Shipowning Subsidiary, waiving the benefit of division or discussion and any other right or benefit granted by the applicable law to a guarantor.

(iii) Unless otherwise agreed, the Flat Management Fee shall be paid by CTRM in advance at the beginning of each quarter. The Flat Management Fee will be due and payable on the first Business Day of January, April, July and October of each year.

(iv) The Company hereby agrees to reimburse the Manager for all reasonable and documented out-of-pocket costs and expenses actually paid or incurred by the Manager in furtherance of the Company's business or arising out of or in connection with the provision of the Services, including but not limited to travel and entertainment expenses, fees and expenses charged by external legal, accounting, financial, IT or other advisors (the **"Reimbursable Expenses"**).

(v) The Management Fees may be adjusted from time to time and additional fees may also be agreed to be payable by the Company to the Manager for services provided by the Manager on a case-by-case basis.

(vi) In addition to the Management Fees, the Manager shall charge and receive the following commissions:

a. Chartering commission at the rate of 1.25% on all gross income received by the Shipowning Subsidiaries arising out of or in connection with the operation of the Vessels, including charter hire, freight, demurrage, dead freight, damages for detention, pool distributions, as well as on any other commissionable amount collected on such transactions; and

b. Sale and purchase brokerage commission at the rate of 1% per consummated Vessel sale and purchase transaction (such commission, for the avoidance of doubt, being applicable, inter alia, to the total consideration to acquire a vessel or the shares of a ship owning entity or control of an entity that owns a number of vessels directly or indirectly) (collectively, the **"Commission Fees"**).

(vii) Provided that the Manager provides crew for the Vessels, the relevant Shipowning Subsidiary shall cover expenses regarding crew costs in accordance with the respective crew agreements in place.

(viii) Notwithstanding anything contained herein to the contrary, the Manager shall in no circumstances be required to use or commit its own funds to finance the provision of the Services, other than with respect to the employees employed by the Manager in the ordinary course of business.

Section 7. General Relationship Between the Parties. The relationship between the Parties is that of independent contractor. The Parties to this Agreement do not intend, and nothing herein shall be interpreted so as, to create a partnership, joint venture, employee or agency relationship between the Manager and any other Party or any member of the Company.

Section 8. Liability and Indemnity.

(i) Neither the Company nor the Manager shall be under any liability for any failure to perform any of their obligations hereunder by reason of any cause whatsoever of any nature or kind beyond their reasonable control.

(ii) The Manager shall be under no liability whatsoever to the Company for any loss, damage, delay or expense of whatsoever nature, whether direct or indirect (including but not limited to loss of profit arising out of or in connection with a detention of or delay to the Vessels) and howsoever arising in the course of performance of the Services, unless and to the extent that such loss, damage, delay or expense is proven (through a judgement of a court of competent jurisdiction) to have resulted solely from fraud, gross negligence or wilful misconduct of the Manager or its employees, in which case (save where such loss, damage, delay or expense has resulted from the Manager's personal act or omission committed with the intent to cause same or recklessly and with knowledge that such loss, damage, delay or expense would probably result) the Manager's liability for each incident or series of incidents giving rise to a claim or claims shall never exceed a total of two (2) times the quarterly Flat Management Fee.

(iii) Notwithstanding anything to the contrary in this Agreement, the Manager shall not be responsible for any of the actions of the crew of the Vessels, even if such actions are negligent, grossly negligent, reckless or wilful.

(iv) The Company shall keep the Manager and its employees, agents, sub-contractors (including any Sub-managers) and consultants indemnified and hold them harmless against all actions, proceedings, claims, demands or liabilities whatsoever or howsoever arising, which may be brought against them or incurred or suffered by them arising out of or in connection with the performance of this Agreement, and against and in respect of all costs, loss, damages and expenses (including legal costs and expenses on a full indemnity basis), which the Manager may suffer or incur (either directly or indirectly) in the course of the performance of this Agreement, including, without limitation, against all actions, proceedings, claims, demands or liabilities brought under or relating to the environmental laws, regulations or conventions of any jurisdiction (the **"Environmental Laws"**), or otherwise relating to pollution of the environment, and against and in respect of all costs and expenses (including legal costs and expenses on a full indemnity basis) they may suffer or incur due to defending or settling same, provided however that such indemnity shall exclude any or all losses, actions, proceedings, claims, demands, costs, damages, expenses and liabilities whatsoever which may be caused by or due to (A) the fraud, gross negligence or wilful misconduct of the Manager, its employees, agents or sub-contractors, or (B) any breach of this Agreement by the Manager.

(v) Without prejudice to the general indemnity set out in this Section, the Company hereby undertakes to indemnify the Manager, its employees, agents and sub-contractors against all taxes (including but not limited to tonnage taxes), imposts and duties levied by any government as a result of the operations of the Company or the Vessels, whether or not such taxes, imposts and duties are levied on CTRM, the Shipowning Subsidiaries or the Manager. The Company shall pay all applicable taxes, levies, dues or fines imposed on the Company, the Vessels or the Manager as a result of the existence and operations of the Company and Vessels. For the avoidance of doubt, such indemnity shall not apply to taxes imposed on amounts paid to the Manager as consideration for the performance of the Services for the Company.

(vi) It is hereby expressly agreed that no employee or agent of the Manager (including any sub-contractor from time to time employed by the Manager and the employees of such sub-contractor) shall in any circumstances whatsoever be under any liability whatsoever to the Company for any loss, damage or delay of whatsoever kind arising or resulting directly or indirectly from any act, neglect or default on his part while acting in the course of or in connection with his employment and, without prejudice to the generality of the foregoing provisions in this Section, every exemption, limitation, condition and liberty herein contained and every right, exemption from liability, defence and immunity of whatsoever nature applicable to the Manager or to which the Manager is entitled hereunder shall also be available and shall extend to protect every such employee or agent of the Manager acting as aforesaid.

(vii) The Company acknowledges that the Manager is unable to confirm that the Vessels, their systems, equipment and machinery are free from defects and agrees that the Manager shall not under any circumstances be liable for any losses, costs, claims, liabilities and expenses, which the Company may suffer or incur resulting from pre-existing or latent deficiencies in the Vessels, their systems, equipment and machinery.

(viii) The provisions of this Section 8 shall remain in force notwithstanding termination of this Agreement.

Section 9. Term and Termination.

(i) This Agreement shall be effective as of the Effective Date and shall continue to be in full force and effect for a term of eight (8) years commencing on the Effective Date, and such term shall be automatically renewed annually for the subsequent eight (8) years on each anniversary of the Effective Date (starting from the first anniversary of the Effective Date), unless it is terminated earlier in accordance with the below provisions (the **"Term"**).

(ii) This Agreement, unless otherwise agreed in writing between the Parties hereto, shall be terminated as follows:

a. The Parties hereto may terminate this Agreement by mutual agreement in writing at any time.

b. This Agreement shall automatically terminate in case the Manager ceases its business or a resolution is passed or a court order is made for the purposes of winding up the Manager.

c. The Manager may terminate this Agreement as follows:

1. Upon giving three (3) month's prior written notice to the Company;

2. Upon giving fifteen (15) Business Days prior written notice to the Company for material breach of the Company's obligations under this Agreement; if the breach may be remedied by the Company, the Manager may terminate this Agreement upon giving fifteen (15) Business Days prior written notice to the Company to remedy the breach and failing to do so may proceed with the termination of this Agreement in accordance with the provisions of this sub-paragraph;

3. Upon giving fifteen (15) Business Days prior written notice to the Company in case of a Change of Control in CTRM. Any such notice must be given within six (6) months as of the completion of the Change of Control in CTRM.

d. The Company may terminate this Agreement as follows:

1. Upon giving three (3) month's prior written notice to the Manager;

2. Upon giving fifteen (15) Business Days prior written notice to the Manager, if the Manager is proven to be unable or to have otherwise failed to perform any or all of the Services to a material extent for a continuous period of two (2) months and provided that the Manager fails to perform the Services within the notice period.

(iii) In case of termination of this Agreement in accordance with any of the provisions of Section 9(ii), the Company shall pay to the Manager on the date of termination: (i) any and all accrued Management Fees and the Reimbursable Expenses of the Manager up to the date of termination and (ii) in advance any and all Commission Fees for any outstanding chartering and/or sale and purchase transaction that was agreed by the Company prior to the date of termination and has not yet been performed on the date of termination, as if such transaction had been performed (namely all such Commission Fees up until the end of the agreed duration of a respective charterparty or up until the completion of the respective sale and purchase transaction shall be due and payable to the Manager on the date of termination). Moreover, in case this Agreement is terminated in accordance with the provisions of sub-Sections 9(ii)(c)(2), 9(ii)(c)(3) and 9(ii)(d)(1), the Company shall pay in addition to the Manager the Termination Fee. For the avoidance of any doubt, in case of termination of this Agreement in accordance with any of the provisions of Section 9(ii) above CTRM and the Shipowning Subsidiaries shall be jointly and severally liable to pay the accrued Management Fees, the Commission Fees, the Reimbursable Expenses and the Termination Fee (where applicable) to the Manager.

(iv) Upon termination of this Agreement in accordance with the provisions of this Section 9, the Manager shall promptly terminate its services under this Agreement and the Ship Management Agreement(s), if so requested, in order to minimize any interruption to the business of the Company.

(v) With respect to the termination of the Ship Management Agreements applicable are the relevant clauses contained in each respective Ship Management Agreement.

(vi) Termination or expiration of this Agreement for any reason shall be without prejudice to any rights that shall have accrued to the benefit of a Party prior to such termination or expiration. Such termination or expiration shall not relieve a Party from obligations that are expressly indicated to survive the termination or expiration of this Agreement.

Section 10. Surrender of Books and Records. Upon termination of this Agreement, the Manager shall forthwith surrender to CTRM any and all books, records, documents and other property in the possession or control of the Manager relating to the provision of the Services, to this Agreement and to the business, finance, technology, trademarks or affairs of the Company and, except as required by law, shall not retain any copies of same.

Section 11. Entire Agreement. This Agreement and the relevant Ship Management Agreements constitute the entire agreement of the Parties relating to the matters contained herein, superseding all prior contracts or agreements, whether oral or written, relating to the matters contained herein. For the avoidance of doubt, it is hereby explicitly agreed and acknowledged that the Master Management Agreement by and between CTRM, the Shipowning Subsidiaries and the Manager dated September 1, 2020, as supplemented by the respective adhesion agreements, is hereby terminated, replaced and restated by this Agreement as of the Effective Date.

Section 12. Amendments to Agreement. This Agreement may be amended, superseded, cancelled, renewed or extended and the terms hereof may be waived, only by a written instrument signed by the Parties.

Section 13. Severability. If any provision herein is held to be void or unenforceable for any reason, the validity and enforceability of the remaining provisions herein shall remain unaffected and enforceable.

Section 14. Currency. Unless stated otherwise, all currency references herein are to United States Dollars.

Section 15. Governing Law and Jurisdiction.

(i) This Agreement and any dispute or claim arising out of or in connection with it or its subject matter or formation, including a dispute relating to the existence, validity or termination of this Agreement or any non-contractual disputes or claims (a "**Dispute**") shall be governed by Greek law.

(ii) Subject to below paragraph (iii), the courts of Piraeus, Greece shall have exclusive jurisdiction to settle any Dispute.

(iii) Paragraph (ii) above is for the exclusive benefit of the Manager, who reserves the right: (a) to commence proceedings in relation to any Dispute in the courts of any country other than Greece and which may have or claim jurisdiction to that Dispute; and (b) to commence such proceedings in the courts of any such country or countries concurrently with or in addition to proceedings in Piraeus, Greece or without commencing proceedings in Piraeus, Greece. The Company shall not commence any proceedings in any country other than Greece in relation to a Dispute.

Section 16. Notices. Any notice under this Agreement shall be in writing and delivered personally, by courier or shall be served through a process server as follows:

If to the Company:
Castor Maritime Inc.
Email:

If to the Manager:
Castor Ships S.A.
Email:

Section 17. Co-Management, Assignment and Sub-Contracting.

(i) At the discretion of the Manager, but only with respect to the Services provided to one or more Shipowning Subsidiaries for their respective Vessels (and not with respect to the Services provided to CTRM), the Manager's rights and obligations hereunder, may be apportioned among one or more qualified shipmanagement companies (each, such company, other than the Manager, hereinafter referred to as a "**Co-Manager**") that have substantial experience in the provision of shipmanagement services and maintain a valid Document of Compliance (DOC) pursuant to the International Safety Management (ISM) Code for such type of cargo vessels. In such circumstances:

a. the Co-Manager shall enter into separate ship management agreement(s) only with the respective Shipowning Subsidiaries, which shall specifically outline such Co-Manager's services, duties, obligations and rights or, if on the date hereof there is an already existing ship management relationship between a Co-Manager and certain Shipowning Subsidiaries, then the Co-Manager may continue to transact with the respective Shipowning Subsidiaries under the terms of such pre-existing ship management agreement(s), for as long as such agreements are effective;

b. the Manager shall continue to be responsible to oversee and supervise the performance of those Services that are provided by such Co-Manager; and further the Manager shall continue to provide the remaining Services described in Schedules B to D hereto, which are not provided by the Co-Manager;

c. the Co-Manager shall invoice separately and shall be paid directly by the Shipowning Subsidiaries the respectively agreed management fees per day per Vessel (the "**Co-Manager's Daily Fees**") and all other fees agreed with the respective Shipowning Subsidiaries, *provided however that*, in such case, the Daily Ship Management Fees due to the Manager pursuant to Section 6(i)(a) hereto shall be reduced by the amount of the Co-Manager's Daily Fees paid by each Shipowning Subsidiary to the Co-Manager. For the avoidance of doubt, in such circumstances, the Manager shall continue to be paid the Daily Ship Management Fees reduced accordingly, as aforementioned, for exercising oversight and supervision over the Co-Manager, as well as for the provision of such Services described in Schedules B to D hereto, which are not provided by the Co-Manager, and shall continue to be paid all other Management Fees, in accordance with the terms and conditions of this Agreement.

(ii) This Agreement, and the Company's rights and obligations hereunder, may not be assigned by the Company; provided, however, that in the event of any sale, transfer or other disposition of all or substantially all of the Company's assets and business, whether by merger, consolidation or otherwise, the Company shall assign this Agreement and its rights hereunder to the successor to its assets and business.

(iii) The Manager may freely sub-contract and sub-license this Agreement and/or appoint any person or corporate entity (a **"Sub-manager"**), at any time throughout the duration of this Agreement, to perform such parts of the Services as may seem convenient or appropriate to the Manager, so long as the Manager remains liable for the performance of the Services and its other obligations under this Agreement and bears and pays the remuneration, however described, of any Sub-manager.

Section 18. Waiver. No failure by any party to insist upon the strict performance of any covenant, duty, agreement or condition of this Agreement or to exercise any right or remedy consequent upon a breach thereof shall constitute waiver of any such breach of any other covenant, duty, agreement or condition. Any waiver must be specifically stated as such in writing.

Section 19. Joint and Several Liability. CTRM and the Shipowning Subsidiaries are jointly and severally liable for the due performance of all of the obligations of the Company under this Agreement and each of CTRM and each Shipowning Subsidiary is jointly and severally liable for the obligations of the others or any of them.

Section 20. Binding Effect. This Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors, permitted assigns, heirs, executors and legal representatives. The Parties declare that they waive any right to contest the validity of, cancel, or annul this Agreement for any reason and cause whatsoever and particularly for the reasons set out in articles 178, 179, 281, 288 and 388 of the Greek Civil Code.

Section 21. Counterparts. This Agreement may be executed in one or more signed counterparts (including facsimile counterparts or as a "pdf" or similar attachment to an email), which shall together form one instrument.

[Signature Page Follows]

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

CASTOR MARITIME INC.

By: _____
Name:
Title:

CASTOR SHIPS S.A.

By: _____
Name:
Title:

Signed for and on behalf of the Shipowning Subsidiaries listed in Schedule A-1 hereto

By: _____
Name:
Title:

Signed for and on behalf of the Shipowning Subsidiaries listed in Schedule A-2 hereto

By: _____
Name:
Title:

SCHEDULE A-1

SHIPOWNING SUBSIDIARIES LIST

Name of Shipowning Subsidiary	Vessel Name	Sector	IMO No.	Vessel Flag
Pumba Shipping Co.	Magic Orion	Bulk Carrier		Marshall Islands
Super Mario Shipping Co.	Magic Venus	Bulk Carrier		Marshall Islands
Liono Shipping Co.	Magic Thunder	Bulk Carrier		Marshall Islands
Kabamaru Shipping Co.	Magic Argo	Bulk Carrier		Marshall Islands
Asterix Shipping Co.	Magic Perseus	Bulk Carrier		Marshall Islands
Mulan Shipping Co.	Magic Starlight	Bulk Carrier		Marshall Islands
Luffy Shipping Co.	Magic Twilight	Bulk Carrier		Marshall Islands
Snoopy Shipping Co.	Magic Nebula	Bulk Carrier		Marshall Islands
Jumaru Shipping Co.	Magic Nova	Bulk Carrier		Marshall Islands
Johnny Bravo Shipping Co.	Magic Mars	Bulk Carrier		Marshall Islands
Garfield Shipping Co.	Magic Phoenix	Bulk Carrier		Marshall Islands
Pocahontas Shipping Co.	Magic Horizon	Bulk Carrier		Marshall Islands
Pikachu Shipping Co.	Magic Moon	Bulk Carrier		Marshall Islands
Spetses Shipping Co.	Magic P	Bulk Carrier		Marshall Islands
Bistro Maritime Co.	Magic Sun	Bulk Carrier		Marshall Islands
Stewie Shipping Co.	Magic Vela	Bulk Carrier		Marshall Islands
Cinderella Shipping Co.	Magic Eclipse	Bulk Carrier		Marshall Islands
Songoku Shipping Co.	Magic Pluto	Bulk Carrier		Marshall Islands
Mickey Shipping Co.	Magic Callisto	Bulk Carrier		Marshall Islands
Bagheera Shipping Co.	Magic Rainbow	Bulk Carrier		Marshall Islands

SCHEDULE A-2

SHIPOWNING SUBSIDIARIES LIST

Name of Shipowning Subsidiary	Vessel Name	Sector	IMO No.	Vessel Flag
Rocket Shipping Co.	Wonder Polaris	Tanker		Marshall Islands
Gamora Shipping Co.	Wonder Sirius	Tanker		Marshall Islands
Drax Shipping Co.	Wonder Bellatrix	Tanker		Marshall Islands
Colossus Shipping Co.	Wonder Musica	Tanker		Marshall Islands
Hawkeye Shipping Co.	Wonder Avior	Tanker		Marshall Islands
Elektra Shipping Co.	Wonder Arcturus	Tanker		Marshall Islands
Starlord Shipping Co.	Wonder Vega	Tanker		Marshall Islands
Vision Shipping Co.	Wonder Mimosa	Tanker		Marshall Islands
Xavier Shipping Co.	Wonder Formosa	Tanker		Marshall Islands

SCHEDULE B

SHIP MANAGEMENT SERVICES

The Manager either on its own or through the appointment of one or more specialized Sub-manager(s), shall assume the role of "Company" as defined in the International Safety Management (ISM) Code, the International Ship and Port Facility Security (ISPS) Code and the Maritime Labour Convention 2006 (MLC), as such may be amended and supplemented from time to time, and shall provide such of the following Ship Management Services to the Company, as the Company may from time-to-time request and direct the Manager to provide including indicatively the following:

(1) Negotiating on behalf of the Company time charters, voyage charters, bareboat charters and other employment contracts with respect to the Vessels and monitor payments thereunder;

(2) Exercising of due diligence to:

(i) maintain and preserve each Vessel and her equipment in full compliance with applicable rules and regulations, including Environmental Laws, shipping industry practices, good condition, running order, so that each Vessel shall be, insofar as due diligence can make her in every respect seaworthy and in full compliance with environmental and charterers requirements good operating condition;

(ii) keep each Vessel in such condition as will entitle her to the proper notation and rating from the classification society chosen by her owner or charterer rating for vessels of the class, age and type;

(iii) prepare all Ballast Water Treatment System (BWTS) Manuals, Ship To Ship (STS) Transfer Manuals, Ship Energy Efficiency Management Plan (SEEMP) Manuals and all other statutory manuals provided for by the International Conventions and codes (including but not limited to SOLAS, MARPOL, MLC), comply with EU MRV reports, DCS IMO reports, proceed with all necessary actions for compliance with EEXI, CII requirements and obtain all necessary approvals for a shipboard oil pollution emergency plan (SOPEP) in a form approved by the Marine Environment Protection Committee of the International Maritime Organization pursuant to the requirements of Regulation 26 of Annex I of the International Convention for the Prevention of Pollution from Ships, 1973, as modified by the Protocol of 1978 relating thereto, as amended (**"MARPOL"**), and provide assistance with respect to such other documentation and record-keeping requirements pursuant to applicable Environmental Laws;

(iv) arrange for the preparation, filing and updating of a contingency Vessel Response Plan in accordance with the requirements of the U.S. Oil Pollution Act of 1990 as amended (**"OPA"**), and instruct the crew in all aspects of the operation of such plan and inform the Company promptly of any major release or discharge of oil or other hazardous material in compliance with applicable law;

(v) provide copies of any vessel inspection reports, valuations, surveys or similar reports upon request.

The Manager is expressly authorized for and on behalf of the Company to enter into such arrangements by contract or otherwise as are required to ensure the availability of the Services outlined above. The Manager is further expressly authorized by the Company to enter into such other arrangements as may from time to time be necessary to satisfy the requirements of OPA, EU ETS, or other applicable laws and regulations.

(3) Storing, victualing and supplying of each Vessel with necessary spare parts and equipment and arranging for the purchase of certain day to day stores, supplies and parts;

(4) Procuring and arranging for port entrance and clearance, pilots, vessel agents, consular approvals, and other services necessary or desirable for the management and safe operation of each Vessel;

(5) Preparing, issuing or causing to be issued to shippers the customary freight contract, cargo receipts and/or bills of lading;

(6) Performing all usual and customary duties concerned with the loading and discharging of cargoes at all ports;

(7) Arranging and retaining in full force and effect all customary insurance pertaining to each Vessel as instructed by the owner or charterer and all such policies of insurance, including but not limited to protection and indemnity, hull and machinery, war risk and oil pollution FDD covering each Vessel;

(8) Adjusting and negotiating settlements, with or on behalf of claimants or underwriters, of any claim, damages for which are recoverable under policies of insurance;

(9) If requested, providing the Company with technical assistance in connection with any sale of any Vessel. The Manager will, if requested in writing by the Company, comment on the terms of any proposed Memorandum of Agreement, but the Company will remain solely responsible for agreeing the terms of any Memorandum of Agreement regulating any sale;

(10) Arranging for employment of counsel, and the investigation, follow-up and negotiating of the settlement of all claims arising, the appointment of an adjuster and assistance in preparing the average account, taking proper security for the cargo's and freight's proportion of average and appointing surveyors and technical consultants as necessary; it being understood that the Company will be responsible for the payment of such counsel's, adjuster's and such surveyor's or technical consultant's fees and expenses respectively;

(11) Negotiating the settlement of insurance claims of the respective Shipowning Subsidiary's or the charterer's protection and indemnity insurance and arranging for the making of disbursements accordingly for the Shipowning Subsidiary's or the charterer's account; the Company shall arrange for the provision of any necessary guarantee bond or other security;

(12) Attending all matters involving each Vessel's crew;

(13) Paying all charges incurred in connection with the management of each Vessel, including, but not limited to, the cost of the items listed in (2) to (12) above, canal tolls, repair charges and port charges, and any amounts due to any governmental agency with respect to the Vessel crews;

(14) The Manager shall not in any circumstances have any liability for any bunkers, which do not meet the required specification. The Manager will, however, monitor the quality of the bunkers through accredited organisations and take such action, on behalf of the Company, against the supplier of the bunkers, as is agreed with the Company;

(15) Arranging as per rules of the Classification Society of each Vessel for the intermediate and special survey of each Vessel, in which case all costs in connection with such surveys (including dry-docking) and satisfactory compliance with class requirements will be borne by the Company.

SCHEDULE C

ADMINISTRATIVE MANAGEMENT SERVICES

The Manager shall provide such of the following Administrative Management Services to the Company, as the Company may from time-to-time request and direct the Manager to provide pursuant to Section 2, including indicatively the following:

a. Keep and maintain at all times the accounting books and records of the Company which shall contain particulars of receipts and disbursements relating to the assets and liabilities of the Company and such books, records and accounts shall be kept pursuant to normal commercial practices that will permit the Company to prepare or cause to be prepared financial statements in accordance with U.S. generally accepted accounting principles;

b. Represent the Shipowning Subsidiaries vis-à-vis any contractual counterparties and before any competent authority in any jurisdiction, including without limitation tax authorities, civil, criminal and administrative courts, ministries and other governmental bodies;

c. Settle and pay off any debt of the Shipowning Subsidiaries in any jurisdiction;

d. Arrange for the due fulfilment of the tax responsibilities of the Company and its Vessels and the and pay any relevant tax (including but not limited to tonnage tax) and levy as well as legally dispute the legitimacy of any taxes, charges and fines imposed on the Vessels;

e. Provide, or arrange for the provision, of clerical, secretarial, corporate and administrative services as may be reasonably necessary for the performance of the Company's business;

f. Arrange for the provision by third party providers of such audit, accounting, legal, insurance and other professional services relating to the Company and the Vessels as are reasonably required by the Company from time to time to the extent such advice and analysis can be reasonably provided or arranged by the Manager, provided that nothing herein shall permit the Manager to select the auditor of the Company or to communicate with the auditor other than in the ordinary course of making such books and records available for review as the auditors may require and to respond to queries from the auditors with respect to the accounts and statements prepared by, or arranged by, the Manager, and in particular the Manager will not have any of the authorities, rights or responsibilities of the audit committee of the Company, but shall provide, or arrange for the provision of, information to such committee as may from time to time be required or requested; and provided further that nothing herein shall entitle the Manager to retain legal counsel for the Company unless such selection is specifically approved by the Company;

g. Negotiate, at the request and under the direction of the Company, loan and credit terms with financiers and provide, or arrange for the provision of, such assistance and support as the Company may from time-to-time request in connection with any new or existing debt and/or equity financing for the Vessels and the Company;

h. Make all necessary arrangements for all the board and shareholder meetings of CTRM's and the Shipowning Subsidiaries' and provide, or arrange for the provision of, such additional administrative and ancillary services pertaining to the Company and the Vessels as may be reasonably requested by the Company from time to time;

i. Maintain, or arrange for the maintenance of, CTRM's and the Shipowning Subsidiaries' existence and good standing in necessary jurisdictions; and

j. Provide, or arrange for the provision of, at the request and under the direction of the Company, cash management and services, including assistance with preparation of budgets, overseeing banking services and bank accounts and arranging for the deposit of funds.

SCHEDULE D

EXTRAORDINARY FEES AND COSTS

Notwithstanding anything to the contrary in this Agreement, the Manager will not be responsible for paying any costs liabilities and expenses in respect of a Vessel, to the extent that such costs, liabilities and expenses are "extraordinary", which shall consist indicatively of the following:

(i) repairs, refurbishment or modifications, including those not covered by the guarantee of the shipbuilder or by the insurance covering the Vessels, resulting from maritime accidents, collisions, other accidental damage, failure of material, or unforeseen events (except to the extent that such accidents, collisions, damage or events are due to the fraud, gross negligence or wilful misconduct of the Manager, its employees or its agents, unless and to the extent otherwise covered by insurance). The Manager shall be entitled to receive additional remuneration for time (charged at the rate of US$950 per man per day of 8 hours) for any time that the personnel of the Manager will spend on attendance on any Vessel in connection with matters set out this subsection (i). In addition, the Company will pay any reasonable travel and accommodation expenses of the Manager personnel incurred in connection with such additional time spent;

(ii) any improvement, upgrade or modification to, structural changes with respect to the installation of new equipment, machinery or system aboard any Vessel that results from a change in, an introduction of new, or a change in the interpretation of, applicable laws, at the recommendation of the classification society or the charterers for that Vessel or otherwise;

(iii) any increase in crew employment expenses resulting from an introduction of new, or a change in the interpretation of, applicable laws or resulting from charterers' requirements;

(iv) the Manager shall be entitled to receive additional remuneration for time spent on the insurance, average and salvage claims (charged at the rate of US$ 950 per man per day of 8 hours) in respect of the preparation and prosecution of claims, the supervision of repairs and the provision of documentation relating to adjustments);

(v) For purposes of proper maintenance and inspection of the Vessels, the Manager shall ensure a maximum 14 days per year per Vessel without additional cost for the Company other than the Management Fees. Any additional day over the 14 days will be charged at the rate of US$950 per man per day for maximum eight (8) hours per day. For the avoidance of any doubt, the extra time needed for the Manager to prepare the Vessel and the management company during vetting inspections and attendance on the Vessels in connection with the pre-vetting and vetting of the Vessels by any charterers or during Tanker Management Self-Assessment (TMSA) preparation shall be charged at the rate of USD$950 per man per day. In addition, the Company will pay any reasonable travel and accommodation expenses of the Manager personnel incurred in connection with such additional time spent;

(vi) the Company shall pay the deductible of any insurance claims relating to the Vessels or for any claims that are within such deductible range;

(vii) the Company shall pay any increase in insurance premiums;

(viii) the Company shall pay dues or fines imposed on the Vessels or the Manager due to the operation of the Vessels;

(ix) the Company shall pay for any expenses incurred in connection with the sale or acquisition of a Vessel, such as but not limited to inspections and technical assistance;

(x) the Company shall pay for any similar costs, liabilities and expenses that were not reasonably contemplated by the Company and the Manager as being encompassed by or a component of the fees at the time the fees were determined;

(xi) the Company shall pay for any fees and expenses related to any computer and software updates and acquisitions as may be required and to any services provided by the Manager or by any sub-contractor to protect the Company's operations or the Vessels from cyber security risks; and

(xii) Any other services not mentioned in Schedules B and C (above) that are aimed at ensuring full compliance of the Company with environmental, safety, security and corporate governance regulations and standards, applicable from time to time, as mandated by an internationally recognized body and/or required by charterers of the Company's Vessels. The outlay and/or the investment that the Manager will need to incur in order to ensure that it is in a position to comply with such regulations and standards will be fully reimbursable to the Manager by the Company.

Exhibit 4.17

ADDENDUM NO.1

to the Amended and Restated Master Management Agreement dated as of the 28th day of July 2022
and effective as of the 1st day of July 2022 (the "**Agreement**")

This Addendum No.1 to the Agreement is made on November 18, 2022 (the "**Addendum No. 1** ") by and between:

1. CASTOR MARITIME INC., a corporation duly organized and existing under the laws of the Marshall Islands with its registered office at [●], Marshall Islands (the **"CTRM"**);

2. CASTOR SHIPS S.A., a company duly organized and existing under the laws of the Marshall Islands with its registered office at [●], Marshall Islands, having established a branch office in Greece pursuant to the provisions of art. 25 of Law 27/1975 (formerly law 89/1967) at 25 [●], Greece (the **"Manager"**);

3. The shipowning corporations listed in Annexes 1 and 2 hereto (the "**Shipowning Subsidiaries**"); and

4. The ex-shipowning corporation listed in Annex 3 hereto (the "**Ex-Shipowning Subsidiary**" and together with the Shipowning Subsidiaries and CTRM, collectively the "**Company**")

(hereinafter collectively referred to as the **"Parties"** and individually as a **"Party"**).

WHEREAS:

(A) The Parties have entered into the Agreement by which the Manager undertook to provide certain technical, commercial, crew management services and administrative services in respect of the Vessels and the business affairs of the Company as described in more detail in the Agreement and the Schedules thereto;

(B) CTRM intends to acquire, directly or indirectly, wholly or partially, additional shipowning companies which, in turn, shall own or charter in Additional Vessels, namely containerships (the "**Container Shipowning Subsidiaries**"); each Container Shipowning Subsidiary shall adhere to the Agreement by entering into an adhesion agreement to be executed by and between such Container Shipowning Subsidiary and the Parties to the Agreement;

(C) Elektra Shipping Co. of the Marshall Islands, being a subsidiary of CTRM which used to own the tanker vessel Wonder Arcturus and was listed in Schedule A-2 to the Agreement, sold the said vessel on July 15, 2022 and as of that date is an Ex-Shipowning Subsidiary (as such term, in plural, is defined in Clause 1 herein below) and is listed in Annex 3 hereto.

(D) In view of the foregoing, the Parties wish to extend, supplement and amend the Agreement in accordance with the terms and conditions of this Addendum No.1 by virtue of Section 12 of the Agreement; and

(E) Unless the context otherwise requires, any terms and expressions not defined in this Addendum No.1 (including in the Recitals) but defined in the Agreement shall have the meanings set out in the Agreement.

NOW therefore, in consideration of the foregoing, the Parties hereto agree as follows:

1. The following amendments and/or supplements are hereby made to the Agreement:

(i) The following new definitions are hereby added in Section 1 (Definitions) of the Agreement:

*"**Ex-Shipowning Subsidiaries**" means the legal entities which previously owned or chartered Vessel(s) that have been sold, transferred or otherwise disposed of or have become actual, constructive, agreed or compromised total loss, or become subject to a requisition for title or compulsory acquisition by any government or other competent authority, as listed in Schedule A-4 of this Agreement as such Schedule A-4 may be amended and/or supplemented from time to time.*

*"**Per Containership Management Fees**" has the meaning set forth in Section 6(i) a. of this Agreement.*

(ii) The definitions of the following terms contained in Section 1 (Definitions) of the Agreement are hereby replaced by the following definitions:

***"Daily Ship Management Fees"** means Per Bulk Carrier Vessel Management Fees, Per Tanker Vessel Management Fees and Per Containership Management Fees.*

***"Shipowning Subsidiaries"** means the shipowning corporations listed in Schedules A-1, A-2 and A-3 of this Agreement.*

***"Vessels"** includes all vessels set out in Schedules A-1, A-2 and A-3 to this Agreement as of the date of the Agreement (as such Agreement has been amended and/or supplemented and as may further amended and/or supplemented from time to time) and any Additional Vessels.*

(iii) Section 6(i) a. (Management Fees) of the Agreement is hereby deleted and is replaced by the following new Section 6(i) a. (Management Fees):

*"a. US$ 925 per bulk carrier Vessel per day (the **"Per Bulk Carrier Vessel Management Fees"**) and US$ 925 per container Vessel per day (the **"Per Containership Management Fees"**) and US$ 975 per tanker Vessel per day (the **"Per Tanker Vessel Management Fees"**), accrued on a daily basis, for the provision of the services provided in the relevant Ship Management Agreement(s) and in this Agreement, which may be adjusted from time to time by written agreement of the Company and the Manager (collectively the **"Daily Ship Management Fees"**);"*

(iv) Any reference to the Shipowning Subsidiaries in Sections 8(v), 9(iii), 19 and in Schedule C paras b., c., h. and i. shall include also any Ex-Shipowning Subsidiaries.

(v) A new Schedule A-3 shall be produced and inserted after Schedule A-2 to the Agreement listing the Container Shipowning Subsidiaries which shall from time to time enter into the Agreement by respective adhesion agreements to be executed by and between the Parties to the Agreement and each Container Shipowning Subsidiary.

(vi) A new Schedule A-4 shall be produced and inserted after Schedule A-3 to the Agreement listing the Ex-Shipowning Subsidiaries.

(vii) For each Additional Vessel its respective shipowning corporation shall adhere to the Agreement by entering into an adhesion agreement to be executed by and between such shipowning corporation and the Parties to the Agreement.

2. All other terms and conditions of the Agreement shall remain unaltered and in full force and effect.

3. The Agreement and this Addendum No.1 constitute an integral document which is valid and binding upon its parties in accordance with its terms.

4. This Addendum No.1 may be executed in any number of counterparts (in accordance with article 160 of the Greek Civil Code), including facsimile counterparts or as a "pdf" or similar attachment to an email, all of which, taken together, shall constitute one and the same agreement.

5. Governing Law and Jurisdiction

(i) This Addendum No.1 and any dispute or claim arising out of or in connection with it or its subject matter or formation, including a dispute relating to the existence, validity or termination of this Addendum No.1 or any non-contractual disputes or claims (a "**Dispute**") shall be governed by Greek law.

(ii) Subject to below paragraph (iii), the Courts of Piraeus, Greece shall have exclusive jurisdiction to settle any Dispute.

(iii) Paragraph (ii) above is for the exclusive benefit of the Manager, who reserves the right: (a) to commence proceedings in relation to any Dispute in the courts of any country other than Greece and which may have or claim jurisdiction to that Dispute; and (b) to commence such proceedings in the courts of any such country or countries concurrently with or in addition to proceedings in Piraeus, Greece or without commencing proceedings in Piraeus, Greece. The Company shall not commence any proceedings in any country other than Greece in relation to a Dispute.

[Signature Page Follows]

IN WITNESS WHEREOF, the Parties have executed this Addendum No.1 as of the date first written above.

CASTOR MARITIME INC.

By: _____
Name:
Title:

CASTOR SHIPS S.A.

By: _____
Name:
Title:

Signed for and on behalf of the Shipowning Subsidiaries listed in Annex 1

By: _____
Name:
Title:

Signed for and on behalf of the Shipowning Subsidiaries listed in Annex 2

By: _____
Name:
Title:

Signed for and on behalf of the Ex-Shipowning Subsidiaries listed in Annex 3

By: _____
Name:
Title:

ANNEX 1

SHIPOWNING SUBSIDIARIES LIST (bulk carrier Vessels)

Name of Shipowning Subsidiary	Vessel Name	Sector	IMO No.	Vessel Flag
Pumba Shipping Co.	Magic Orion	Bulk Carrier		Marshall Islands
Super Mario Shipping Co.	Magic Venus	Bulk Carrier		Marshall Islands
Liono Shipping Co.	Magic Thunder	Bulk Carrier		Marshall Islands
Kabamaru Shipping Co.	Magic Argo	Bulk Carrier		Marshall Islands
Asterix Shipping Co.	Magic Perseus	Bulk Carrier		Marshall Islands
Mulan Shipping Co.	Magic Starlight	Bulk Carrier		Marshall Islands
Luffy Shipping Co.	Magic Twilight	Bulk Carrier		Marshall Islands
Snoopy Shipping Co.	Magic Nebula	Bulk Carrier		Marshall Islands
Jumaru Shipping Co.	Magic Nova	Bulk Carrier		Marshall Islands
Johnny Bravo Shipping Co.	Magic Mars	Bulk Carrier		Marshall Islands
Garfield Shipping Co.	Magic Phoenix	Bulk Carrier		Marshall Islands
Pocahontas Shipping Co.	Magic Horizon	Bulk Carrier		Marshall Islands
Pikachu Shipping Co.	Magic Moon	Bulk Carrier		Marshall Islands
Spetses Shipping Co.	Magic P	Bulk Carrier		Marshall Islands
Bistro Maritime Co.	Magic Sun	Bulk Carrier		Marshall Islands
Stewie Shipping Co.	Magic Vela	Bulk Carrier		Marshall Islands
Cinderella Shipping Co.	Magic Eclipse	Bulk Carrier		Marshall Islands
Songoku Shipping Co.	Magic Pluto	Bulk Carrier		Marshall Islands
Mickey Shipping Co.	Magic Callisto	Bulk Carrier		Marshall Islands
Bagheera Shipping Co.	Magic Rainbow	Bulk Carrier		Marshall Islands

ANNEX 2

SHIPOWNING SUBSIDIARIES LIST (tanker Vessels)

Name of Shipowning Subsidiary	Vessel Name	Sector	IMO No.	Vessel Flag
Rocket Shipping Co.	Wonder Polaris	Tanker		Marshall Islands
Gamora Shipping Co.	Wonder Sirius	Tanker		Marshall Islands
Drax Shipping Co.	Wonder Bellatrix	Tanker		Marshall Islands
Colossus Shipping Co.	Wonder Musica	Tanker		Marshall Islands
Hawkeye Shipping Co.	Wonder Avior	Tanker		Marshall Islands
Starlord Shipping Co.	Wonder Vega	Tanker		Marshall Islands
Vision Shipping Co.	Wonder Mimosa	Tanker		Marshall Islands
Xavier Shipping Co.	Wonder Formosa	Tanker		Marshall Islands

ANNEX 3

EX-SHIPOWNING SUBSIDIARIES LIST

Name of Ex-Shipowning Subsidiary	Vessel Name	Sector	IMO No.	Vessel Flag
Elektra Shipping Co.	Wonder Arcturus	Tanker		Marshall Islands

Exhibit 4.18

EXECUTION VERSION

CONTRIBUTION AND SPIN-OFF DISTRIBUTION AGREEMENT

by and between

CASTOR MARITIME INC.

and

TORO CORP.

dated as of _____, 2023

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CONTRIBUTION AND SPIN-OFF DISTRIBUTION AGREEMENT

This CONTRIBUTION AND SPIN-OFF DISTRIBUTION AGREEMENT, dated as of _____, 2023 (this "Agreement"), is entered into by and between Castor Maritime Inc., a Marshall Islands corporation ("Castor"), and Toro Corp., a Marshall Islands corporation ("SpinCo"). Each of Castor and SpinCo is referred to herein as a "Party" and collectively, as the "Parties".

W I T N E S S E T H:

WHEREAS, Castor is a global shipping company engaged in the business of acquiring, owning, chartering and operating oceangoing cargo vessels;

WHEREAS, acting through its Subsidiaries, Castor currently conducts (i) the Castor Retained Business (presently comprising dry-bulk vessels engaged in the worldwide transportation of commodities such as iron ore, coal, soybeans, etc.) and (ii) the SpinCo Business (presently comprising tanker vessels engaged in the worldwide transportation of crude oil, oil and petroleum products);

WHEREAS, upon the recommendation of a special committee of independent and disinterested directors (the "Castor Special Committee") of the Board of Directors of Castor (the "Castor Board"), the independent and disinterested directors of the Castor Board (with Mr. Petros Panagiotidis recused from the related deliberations) have unanimously determined that it is appropriate, desirable and in the best interests of Castor and its shareholders to separate the SpinCo Business from Castor and to spin-off the SpinCo Business in the manner contemplated by this Agreement;

WHEREAS, Castor has caused SpinCo to be formed in order to facilitate such separation and spin-off and SpinCo has not engaged in activities except for activities undertaken in preparation for the Distribution;

WHEREAS, Castor owns all of the issued and outstanding common shares, $0.001 par value per share, of SpinCo (the "SpinCo Common Shares") as of the date hereof;

WHEREAS, in order to effect such separation, it is contemplated that the Parties will enter into a series of transactions whereby (i) Castor will contribute all of the Tanker-Owning Subsidiary Shares to SpinCo as a capital contribution in exchange for the issuance of the Preferred Shares and the Distribution Shares (such transactions as they may be amended or modified from time to time, collectively, the "Contribution"), (ii) SpinCo will replace Castor as guarantor for the Term Loan Facility (such transactions as they may be amended or modified from time to time, the "Guarantee Release"), (iii) Castor shall cause the Master Management Agreement, dated as of September 1, 2020, and as amended and restated on July 28, 2022 (as amended, restated and/or supplemented from time to time, the "Existing Management Agreement"), to be terminated in respect of the Tanker-Owning Subsidiaries, and SpinCo and the Tanker-Owning Subsidiaries will enter into a new master management agreement with Castor Ships S.A., substantially identical in form to the Existing Management Agreement, for certain technical, commercial, crew management services and administrative services in respect of the Tanker Vessels and the business affairs of SpinCo (such transactions as they may be amended or modified from time to time, collectively, the "Management Arrangements"), (iv) Castor shall cause the custodial and cash pooling deed entered into between its Subsidiaries and Castor Maritime SCR Corp. (the "Castor Custodial Deed") to be terminated in respect of the Tanker-Owning Subsidiaries, and SpinCo and the Tanker-Owning Subsidiaries will enter into a custodial and cash pooling deed, substantially identical in form to the Castor Custodial Deed, with Toro RBX Corp. (such transactions as they may be amended or modified from time to time, collectively, the "Cash Pooling Arrangements"), (v) SpinCo will adopt the form of amended and restated articles of incorporation and form of amended and restated by-laws filed with the SEC as exhibits to the Form 20-F (collectively the "Organizational Documents", and such actions, the "Organizational Arrangements") and (vi) Castor will cause the existing directors of SpinCo to resign from the SpinCo Board and elect the individuals identified in the Form 20-F as directors of SpinCo (the "Governance Arrangements", and together with the Contribution, the Guarantee Release, the Management Arrangements, the Cash Pooling Arrangements and the Organizational Arrangements, the "Pre-Distribution Transactions");

WHEREAS, it is contemplated that immediately following the consummation of the Pre-Distribution Transactions, Castor will distribute to holders of Castor Common Shares on a *pro rata* basis, in each case without consideration being paid by such shareholders, one SpinCo Common Share, for every ten Castor Common Shares held on the Record Date (the "Distribution", and together with the Pre-Distribution Transactions and any other transactions contemplated by this Agreement, in each case as they may be amended or modified from time to time, the "Transactions"), which constitutes one-hundred percent (100%) of the outstanding SpinCo Common Shares;

WHEREAS, the Castor Special Committee has unanimously determined that this Agreement and the Transactions are appropriate, desirable and in the best interests of Castor and its shareholders and recommended to the Castor Board that this Agreement and the Transactions as set forth herein be approved by the Castor Board;

WHEREAS, the independent and disinterested members of the Castor Board have unanimously (i) determined that this Agreement and the Transactions are appropriate, desirable and in the best interests of Castor and its shareholders, (ii) adopted the recommendation of the Castor Special Committee for the approval of this Agreement and the Transactions as set forth herein and (iii) approved, adopted and declared advisable this Agreement and the Transactions as set forth herein.

NOW, THEREFORE, in consideration of the foregoing and the mutual agreements, provisions and covenants contained in this Agreement, the Parties hereby agree as follows:

ARTICLE I

DEFINITIONS AND INTERPRETATION

Section 1.1 General. As used in this Agreement, the following terms shall have the following meanings:

(1) "Action" shall mean any demand, action, claim, suit, countersuit, arbitration, inquiry, subpoena, proceeding or investigation by or before any Governmental Entity or any arbitration or mediation tribunal.

(2) "Affiliate" shall mean, when used with respect to a specified Person, a Person that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with such specified Person. For the purposes of this definition, "control" (including the correlative meanings of the terms "controlled by" and "under common control with"), when used with respect to any specified Person shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities or other interests, by Contract or otherwise.

(3) "Agreement" shall have the meaning set forth in the preamble.

(4) "Ancillary Agreements" shall mean all of the written Contracts, instruments, assignments, licenses or other arrangements (other than this Agreement) entered into in connection with the Transactions.

(5) "Business Day" shall mean any day that is not a Saturday, a Sunday or any other day on which banks are required or authorized by Law to be closed in The City of New York.

(6) "Cash Pooling Arrangements" shall have the meaning set forth in the recitals hereto.

(7) "Castor" shall have the meaning set forth in the preamble.

(8) "Castor Board" shall have the meaning set forth in the recitals hereto.

(9) "Castor Common Shares" shall mean the issued and outstanding common shares of Castor, par value $0.001 per share.

(10) "Castor Custodial Deed" shall have the meaning set forth in the recitals hereto.

(11) "Castor Group" shall mean Castor and each Person (other than any member of the SpinCo Group) that is a direct or indirect Subsidiary of Castor after the Relevant Time, and each Person that becomes a Subsidiary of Castor after the Relevant Time.

(12) "Castor Retained Business" shall mean:

(i) the business and operations of Castor's current dry bulk and containerships segment;

(ii) the business and operations of Castor Maritime SCR Corp.; and

(iii) the businesses and operations of the Persons acquired or established by or for Castor and any of its Subsidiaries after the date of this Agreement.

(13) "Consents" shall mean any consents, waivers or approvals from, or notification requirements to, any Person other than a Governmental Entity.

(14) "Contract" shall mean any agreement, contract, obligation, indenture, instrument, lease, promise, arrangement, release, warranty, commitment or undertaking (whether written or oral and whether express or implied).

(15) "Contribution" shall have the meaning set forth in the recitals hereto.

(16) "Conveyancing and Assumption Instruments" shall mean, collectively, the various Contracts and other documents (including conveyance instruments, share transfer forms, assignment and bill of sale instruments) heretofore entered into and to be entered into to effect the Contribution in the manner contemplated by this Agreement, or otherwise relating to, arising out of or resulting from the Transactions, in such form or forms as the Parties agree.

(17) "Distribution" shall have the meaning set forth in the recitals hereto.

(18) "Distribution Agent" shall mean Broadridge Corporate Issuer Solutions, LLC.

(19) "Distribution Date" shall mean such date, as may be set by the Castor Board, on which the Distribution is effected.

(20) "Distribution Shares" shall mean 9,461,009 SpinCo Common Shares.

(21) "Existing Management Agreement" shall have the meaning set forth in the recitals hereto.

(22) "Form 20-F" shall mean the registration statement on Form 20-F filed by SpinCo with the SEC in connection with the Distribution.

(23) "Governance Arrangements" shall have the meaning set forth in the recitals hereto.

(24) "Governmental Entity" shall mean any domestic or foreign governmental or regulatory authority, agency, commission, body, court or other legislative, executive or judicial governmental entity and any arbitral tribunal.

(25) "Group" shall mean (i) with respect to Castor, the Castor Group, and (ii) with respect to SpinCo, the SpinCo Group.

(26) "Guarantee" shall mean the Corporate Guarantee in respect of the Term Loan Facility, dated May 6, 2021, between Castor, as guarantor, and Alpha Bank S.A., as lender.

(27) "Guarantee Release" shall have the meaning set forth in the recitals hereto.

(28) "Law" shall mean any U.S. or non-U.S. federal, national, supranational, state, provincial, local or similar statute, law, ordinance, regulation, rule, code, income Tax treaty, stock exchange rule, order, requirement or rule of law (including common law).

(29) "Liabilities" shall mean any and all debts, liabilities, costs, expenses, interest and obligations, whether accrued or fixed, absolute or contingent, matured or unmatured, reserved or unreserved, or determined or determinable, including those arising under any Law, claim, demand, Action, whether asserted or unasserted, or order, writ, judgment, injunction, decree, stipulation, determination or award entered by or with any Governmental Entity and those arising under any Contract or any fines, damages or equitable relief which may be imposed and including all costs and expenses related thereto.

(30) "Management Arrangements" shall have the meaning set forth in the recitals hereto.

(31) "NASDAQ" shall mean the NASDAQ Stock Market.

(32) "Organizational Documents" shall have the meaning set forth in the recitals hereto.

(33) "Organizational Arrangements" shall have the meaning set forth in the recitals hereto.

(34) "Party" shall have the meaning set forth in the preamble.

(35) "Pelagos" shall mean Pelagos Holdings Corp.

(36) "Person" shall mean any natural person, firm, individual, corporation, business trust, joint venture, association, company, limited liability company, partnership or other organization or entity, whether incorporated or unincorporated, or any Governmental Entity.

(37) "Pre-Distribution Transactions" shall have the meaning set forth in the recitals hereto.

(38) "Preferred Shares" shall mean 140,000 Series A Preferred Shares and 40,000 Series B Preferred Shares.

(39) "Record Date" shall mean such date as may be determined by the Castor Board as the record date for the Distribution.

(40) "Relevant Time" shall mean 12:01 AM, New York City Time, on the Distribution Date.

(41) "SEC" shall mean the United States Securities and Exchange Commission.

(42) "Series A Preferred Shares" shall mean the 1.00% Series A Fixed Rate Cumulative Perpetual Convertible Preferred Shares of SpinCo, par value $0.001 per share.

(43) "Series B Preferred Shares" shall mean the Series B Preferred Shares of SpinCo, par value $0.001 per share.

(44) "SpinCo" shall have the meaning set forth in the preamble.

(45) "SpinCo Board" shall have the meaning set forth in Section 2.2.

(46) "SpinCo Business" shall mean:

(i) the business and operations of Castor's Aframax/LR2 tanker segment and Handysize tanker segment as described in the Form 20-F;

(ii) the business and operations of Toro RBX Corp.; and

(iii) the businesses and operations of the Persons acquired or established by or for SpinCo or any of its Subsidiaries after the date of this Agreement.

(47) "SpinCo Common Shares" shall have the meaning set forth in the recitals hereto.

(48) "SpinCo Group" shall mean SpinCo and each Person (other than any member of the Castor Group) that is a direct or indirect Subsidiary of SpinCo immediately after the Relevant Time, and each Person that becomes a Subsidiary of SpinCo after the Relevant Time.

(49) "Subsidiary" shall mean, with respect to any Person, any corporation, partnership, joint venture, association, joint stock company, trust, unincorporated organization or other entity in which such Person, directly or indirectly (i) beneficially owns more than fifty percent (50%) of (A) the total combined voting power of all classes of voting securities of such Person, (B) the total combined equity economic interest thereof or (C) the capital or profits thereof, in the case of a partnership, or (ii) otherwise has the power to elect or direct the election of more than fifty percent (50%) of the members of the governing body of such entity or otherwise has control over such entity (e.g., as the managing partner of a partnership).

(50) "Term Loan Facility" means the $18.0 Million Secured Term Loan Facility, dated April 27, 2021, by and among Alpha Bank S.A., as lender, and Gamora Shipping Co. and Rocket Shipping Co., as borrowers, as described in the annual report on Form 20-F filed by Castor with the Securities and Exchange Commission on March 31, 2022.

(51) "Tanker Vessels" shall mean, collectively, the *Wonder Polaris*, the *Wonder Sirius*, the *Wonder Bellatrix*, the *Wonder Musica*, the *Wonder Avior*, the *Wonder Vega*, the *Wonder Mimosa* and the *Wonder Formosa*.

(52) "Tanker-Owning Subsidiaries" shall mean, collectively, (i) Rocket Shipping Co., a Marshall Islands corporation, which owns the tanker vessel *Wonder Polaris*; (ii) Gamora Shipping Co., a Marshall Islands corporation, which owns the tanker vessel *Wonder Sirius*, (iii) Drax Shipping Co., a Marshall Islands corporation, which owns the tanker vessel *Wonder Bellatrix*, (iv) Colossus Shipping Co., a Marshall Islands corporation, which owns the tanker vessel *Wonder Musica*, (v) Hawkeye Shipping Co., a Marshall Islands corporation, which owns the tanker vessel *Wonder Avior*, (vi) Starlord Shipping Co., a Marshall Islands corporation, which owns the tanker vessel *Wonder Vega*, (vii) Vision Shipping Co., a Marshall Islands corporation, which owns the tanker vessel *Wonder Mimosa*, (viii) Xavier Shipping Co., a Marshall Islands corporation, which owns the tanker vessel *Wonder Formosa*, and (ix) Elektra Shipping Co., a Marshall Islands corporation, which owned the tanker vessel *Wonder Arcturus*, before it was sold to an unaffiliated third party pursuant to a memorandum of agreement entered into on May 9, 2022 and delivered to its new owner on July 15, 2022.

(53) "Tanker-Owning Subsidiary Shares" shall mean all the issued and outstanding shares of the Tanker-Owning Subsidiaries.

(54) "Transactions" shall have the meaning set forth in the recitals hereto.

(55) "Transaction Expenses" shall mean all documented third-party, out-of-pocket costs, fees and expenses paid, incurred, or to be incurred by Castor or any of its Subsidiaries relating to the Transactions, including (i) fees and expenses of the financial, accounting, tax and legal advisors and other consultants to Castor, the Castor Board and the Castor Special Committee in connection with the Transactions, (ii) SpinCo's SEC filing expenses, (iii) the fees of NASDAQ in connection with the application and listing of SpinCo Common Shares, (iv) the costs and expenses directly related to the mailing of the information statement to holders of Castor Common Shares and (v) the fees and expenses of the Distribution Agent in connection with the Distribution.

Section 1.2 References; Interpretation. References in this Agreement to any gender include references to all genders, and references to the singular include references to the plural and vice versa. Unless the context otherwise requires, the words "include", "includes" and "including" when used in this Agreement shall be deemed to be followed by the phrase "without limitation". Unless the context otherwise requires, references in this Agreement to Articles and Sections shall be deemed references to Articles and Sections of this Agreement. Unless the context otherwise requires, the words "hereof", "hereby" and "herein" and words of similar meaning when used in this Agreement refer to this Agreement in its entirety and not to any particular Article, Section or provision of this Agreement.

ARTICLE II

PRE-DISTRIBUTION TRANSACTIONS

Section 2.1 Articles of Incorporation; By-laws. Castor and SpinCo shall take, or cause to be taken, all necessary actions for the Organizational Documents to be adopted by SpinCo and for the Organizational Documents to be in effect on or before the Relevant Time.

Section 2.2 Directors. Castor shall take all necessary action to cause the Board of Directors of SpinCo (the "SpinCo Board") to consist, as of the Relevant Time, of the individuals identified in the Form 20-F as directors of SpinCo, including causing the existing directors of SpinCo to resign from the SpinCo Board, as applicable.

Section 2.3 Contribution.

(a) Immediately prior to the Relevant Time, Castor shall contribute all of its right, title and interest in the Tanker-Owning Subsidiary Shares to SpinCo as a capital contribution.

(b) Upon and in exchange for Castor's capital contribution pursuant to Section 2.3(a), SpinCo shall (i) cancel all of the SpinCo Common Shares outstanding as of the date hereof, (ii) issue the Distribution Shares and 140,000 Series A Preferred Shares to Castor and grant to Castor the registration rights set forth in Annex A hereto with respect to shares issuable upon conversion of the Series A Preferred Shares in accordance with their terms, and (iii) issue 40,000 Series B Preferred Shares to Pelagos against payment by Pelagos of the par value of such shares previously advanced by Pelagos to SpinCo; and

(c) In connection with and furtherance of, the transfer of shares contemplated by Section 2.3(a) and (b) of this Agreement, the transferring Party shall execute, or cause to be executed by the appropriate entities, on or prior to, and with effect as of the Relevant Time, the Conveyancing and Assumption Instruments, necessary to evidence the valid transfer to the applicable Party of all right, title and interest in and to the applicable shares under the applicable Laws, in such form as the Parties shall reasonably agree. The transfer of capital stock shall be effected by means of executed stock powers and notation on the stock record books of the corporation or other legal entities involved and, only to the extent required by applicable Law, by notation on public registries. The Conveyancing and Assumption Instruments shall evidence and perfect the transfers contemplated by this Agreement and shall not constitute a second conveyance of any assets or interests therein and shall be subject to the terms of this Agreement.

Section 2.4 Other Pre-Distribution Transactions. On or prior to, and with effect as of the Relevant Time, the Parties shall, and shall cause their respective Affiliates to, effect the following transactions:

(a) Castor shall cause the Existing Management Agreement to be terminated in respect of the Tanker-Owning Subsidiaries, provided, however, that the vessel management agreements currently in effect between Castor Ships S.A. and the Tanker-Owning Subsidiaries in respect of the Tanker Vessels shall remain in effect;

(b) SpinCo and the Tanker-Owning Subsidiaries shall enter into a new master management agreement, substantially identical in form to the Existing Management Agreement, with Castor Ships S.A.;

(c) Castor shall cause the Castor Custodial Deed to be terminated in respect of the Tanker-Owning Subsidiaries, and shall take, or cause members of the Castor Group and the SpinCo Group to take, all necessary actions to terminate the cash pooling arrangements existing as of the date hereof between the SpinCo Group and the Castor Group;

(d) SpinCo and the Tanker-Owning Subsidiaries shall enter into a custodial and cash pooling deed, substantially identical in form to the Castor Custodial Deed, with Toro RBX Corp., a Subsidiary of SpinCo, for certain cash pooling arrangements for the SpinCo Group;

(e) SpinCo shall assume Castor's obligations as guarantor of the Term Loan Facility and execute a guarantee agreement substantially in the form of the existing Guarantee, and Castor and, if applicable, SpinCo shall execute or cause to executed such other agreements and instruments with Alpha Bank S.A. as may be required to effect the Guarantee Release.

Section 2.5 Ancillary Agreements. On or prior to the Distribution Date, each of Castor and SpinCo shall enter into, and/or (where applicable) shall cause a member or members of their respective Group to enter into, the applicable Ancillary Agreements and any other Contracts reasonably necessary or appropriate in connection with the Transactions.

Section 2.6 Intercompany Accounts and Limitation of Liability.

(a) Castor (and/or any member of the Castor Group) and SpinCo (and/or any member of the SpinCo Group), hereby terminate, effective as of the Relevant Time, any and all Contracts and intercompany Liabilities, whether or not in writing, between Castor (and/or any member of the Castor Group) and SpinCo (and/or any member of the SpinCo Group), that are effective or outstanding as of immediately prior to the Relevant Time, provided, however, that notwithstanding anything herein to the contrary, the Series A Preferred Shares, when issued pursuant to Section 2.3(b) of this Agreement, and related registration rights, shall remain in effect. No such terminated Contract (including any provision thereof that purports to survive termination) or intercompany Liability shall be of any further force or effect from and after the Relevant Time. Each Party shall, at the reasonable request of the other Party, take, or cause to be taken, such other actions as may be necessary to effect the foregoing.

(b) Except as set forth in Section 2.6(a) and Article VI of this Agreement, no Party or any Subsidiary thereof shall be liable to the other Party or any Subsidiary of the other Party based upon, arising out of or resulting from any Contract, Liability, arrangement, course of dealing or understanding existing on or prior to the Relevant Time and terminated pursuant to Section 2.6(a) of this Agreement (other than, for the avoidance of doubt, this Agreement (including the Annex), any Ancillary Agreement, or any other Contract entered into in connection herewith or in order to consummate the Transactions and the Series A Preferred Shares).

ARTICLE III

THE DISTRIBUTION

Section 3.1 Share Dividend by Castor. On the Distribution Date, Castor will cause the Distribution Agent to distribute the Distribution Shares, being 100% of the outstanding SpinCo Common Shares then owned by Castor, to holders of Castor Common Shares on the Record Date, and to credit the appropriate number of such SpinCo Common Shares to book-entry accounts for each such holder of Castor Common Shares. For shareholders of Castor who own Castor Common Shares through a broker or other nominee, the SpinCo Common Shares will be credited to their respective accounts by such broker or nominee. Each holder of Castor Common Shares on the Record Date will be entitled to receive in the Distribution one SpinCo Common Share for every ten Castor Common Shares held by such shareholder. No action by any such shareholder shall be necessary for such shareholder to receive the applicable number of SpinCo Common Shares (and, if applicable, cash in lieu of any fractional shares pursuant to Section 3.2 hereof) that such shareholder is entitled to in the Distribution.

Section 3.2 Fractional Shares. Castor shareholders holding a number of Castor Common Shares, on the Record Date, which would entitle such shareholders to receive less than one whole SpinCo Common Share in the Distribution, will receive cash in lieu of fractional shares. Fractional SpinCo Common Shares will not be distributed in the Distribution nor credited to book-entry accounts. The Distribution Agent shall, as soon as practicable after the Distribution Date (a) determine the number of whole SpinCo Common Shares and fractional SpinCo Common Shares allocable to each holder of record of Castor Common Shares as of the close of business on the Record Date (or in accordance with the applicable procedures of The Depository Trust Company, to members thereof), (b) aggregate all such fractional shares into whole shares and sell the whole shares obtained thereby in open market transactions, in each case, at then prevailing trading prices on behalf of holders who would otherwise be entitled to fractional share interests, and (c) distribute to each such holder, or for the benefit of each beneficial owner, such holder or owner's ratable share of the net proceeds of such sale, net of brokerage fees incurred in such sales and after making appropriate deductions for any amount required to be withheld for United States federal income Tax and other applicable Tax purposes. None of Castor, SpinCo or the Distribution Agent will guarantee any minimum sale price for the fractional SpinCo Common Shares. None of Castor or SpinCo will pay any interest on the proceeds from the sale of fractional shares. The Distribution Agent acting on behalf of SpinCo will have the sole discretion to select the broker-dealers through which to sell the aggregated fractional shares and to determine when, how and at what price to sell such shares. Neither the Distribution Agent nor the broker-dealers through which the aggregated fractional shares are sold will be Affiliates of Castor or SpinCo.

Section 3.3 Sole Discretion of Castor. The independent and disinterested members of the Castor Board may at any time and from time to time until the completion of the Distribution, upon the recommendation of the Special Committee, decide to abandon any or all of the Distribution or modify or change the terms of the Distribution, including by accelerating or delaying the timing of the consummation of all or part of the Distribution.

Section 3.4 Conditions to the Distribution. The Distribution is subject to the satisfaction of the following conditions or the waiver thereof by the independent and disinterested members of the Castor Board, upon the recommendation of the Special Committee:

(a) the Special Committee, will not have withdrawn its recommendation that the Transactions be approved by the Castor Board and will not have recommended that the Castor Board abandon the Distribution or modify the terms thereof or the Relevant Time;

(b) the independent and disinterested members of the Castor Board will not have withdrawn the Castor Board's authorization and approval of any of the Transactions and will not have determined to abandon the Distribution or modified the terms thereof or the Relevant Time;

(c) the Pre-Distribution Transactions will have been completed;

(d) all material Consents required in connection with the Transactions shall have been received and be in full force and effect;

(e) the SEC will have declared the Form 20-F effective under the Exchange Act, no stop order suspending the effectiveness of the Form 20-F will be in effect, and no proceedings for that purpose will be pending before or threatened by the SEC;

(f) the SpinCo Common Shares to be delivered in the Distribution shall have been approved for listing on NASDAQ;

(g) no order, injunction or decree that would prevent the consummation of the Distribution will be threatened, pending or issued (and still in effect) by any governmental entity of competent jurisdiction, no other legal restraint or prohibition preventing the consummation of the Distribution will be in effect, and no other event outside the control of Castor will have occurred or failed to occur that prevents the consummation of the Distribution; and

(h) Castor and SpinCo will have executed and delivered this Agreement and all other Ancillary Agreements.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES OF CASTOR; DISCLAIMER

Section 4.1 Representations and Warranties. Castor hereby represents and warrants that:

(a) Castor and each of the Tanker-Owning Subsidiaries has been duly formed or incorporated and is validly existing in good standing under the laws of its respective jurisdiction of formation or incorporation;

(b) Correct and complete copies of the certificate of incorporation, articles of incorporation, by-laws, other organizational documents and all material agreements (as amended to the date of this Agreement) of each Tanker-Owning Subsidiary have been made available to SpinCo;

(c) The execution and delivery of this Agreement and all documents, instruments and agreements required to be executed and delivered by it pursuant to this Agreement in connection with the completion of the Transactions, have been or will be duly authorized by all necessary actions by Castor and, to the extent applicable, each Tanker-Owning Subsidiary, and this Agreement has been duly executed and delivered by Castor and constitutes a legal, valid and binding obligation of Castor enforceable in accordance with its terms, except as may be limited by bankruptcy, insolvency, liquidation, reorganization, reconstruction and other similar laws of general application affecting the enforceability of remedies and rights of creditors and except that equitable remedies such as specific performance and injunction are in the discretion of a court;

(d) The execution, delivery and performance by it of this Agreement will not conflict with or result in any violation of or constitute a breach of any of the terms or provisions of, or result in the acceleration of any obligation under, or constitute a default under any provision of: (i) the articles of association, articles of incorporation or by-laws or other organizational documents of Castor or any of the Tanker-Owning Subsidiaries; (ii) any lien, encumbrance, security interest, pledge, mortgage, charge, other claim, bond, indenture, agreement, contract, franchise license, permit or other instrument or obligation to which Castor or any of the Tanker-Owning Subsidiaries is a party or is subject or by which its assets or properties may be bound; or (iii) any applicable laws, statutes, ordinances, rules or regulations promulgated by a governmental authority, orders of a governmental authority, judicial decisions, decisions of arbitrators or determinations of any governmental authority or court;

(e) Except as have already been obtained or that will be obtained in the ordinary course of business, no material Consent, permit, approval or authorization of, notice or declaration to or filing with any Governmental Entity or any other Person, including those related to any environmental laws or regulations, is required in connection with the execution and delivery by Castor of this Agreement or the consummation by Castor or any of the Tanker-Owning Subsidiaries of the Transactions; and

(f) The Tanker-Owning Subsidiary Shares have been duly and validly issued, are fully paid and non-assessable and free of preemptive rights. Castor will convey to SpinCo upon its constitution thereof good and valid title to the Tanker-Owning Subsidiary Shares, which comprise all of the issued and outstanding shares in the Tanker-Owning Subsidiaries, free and clear of all mortgages, liens, security interests, covenants, options, claims, restrictions, or encumbrances of any kind, except for those arising in relation to the Term Loan Facility. There are no outstanding options, warrants or other rights to acquire any shares of capital stock or securities convertible into or exercisable for the capital stock of any Tanker-Owning Subsidiary;

Section 4.2 DISCLAIMER OF WARRANTIES. EXCEPT TO THE EXTENT PROVIDED IN THIS AGREEMENT OR IN ANY ANCILLARY AGREEMENT, THE PARTIES ACKNOWLEDGE AND AGREE THAT NONE OF THE PARTIES HAS MADE, DOES NOT MAKE, AND EACH SUCH PARTY SPECIFICALLY NEGATES AND DISCLAIMS, ANY REPRESENTATIONS, WARRANTIES, PROMISES, COVENANTS, AGREEMENTS OR GUARANTEES OF ANY KIND OR CHARACTER WHATSOEVER, WHETHER EXPRESS, IMPLIED OR STATUTORY, ORAL OR WRITTEN, PAST OR PRESENT, REGARDING (A) THE VALUE, NATURE, QUALITY OR CONDITION OF THE ASSETS OWNED BY THE TANKER-OWNING SUBSIDIARIES, INCLUDING THE ENVIRONMENTAL CONDITION OF THE ASSETS GENERALLY, INCLUDING THE PRESENCE OR LACK OF HAZARDOUS SUBSTANCES OR OTHER MATTERS ON SUCH ASSETS, (B) THE INCOME TO BE DERIVED FROM SUCH ASSETS, (C) THE SUITABILITY OF SUCH ASSETS FOR ANY AND ALL ACTIVITIES AND USES THAT MAY BE CONDUCTED THEREON OR THEREWITH, (D) THE COMPLIANCE OF OR BY SUCH ASSETS OR THEIR OPERATION WITH ANY LAWS (INCLUDING ANY ENVIRONMENTAL PROTECTION OR POLLUTION LAWS, RULES, REGULATIONS, ORDERS OR REQUIREMENTS), OR (E) THE HABITABILITY, MERCHANTABILITY, MARKETABILITY, PROFITABILITY OR FITNESS FOR A PARTICULAR PURPOSE OF SUCH ASSETS. EXCEPT TO THE EXTENT PROVIDED IN ANY ANCILLARY AGREEMENT, EACH PARTY ACKNOWLEDGES AND AGREES THAT SUCH PARTY HAS HAD THE OPPORTUNITY TO INSPECT THE ASSETS OF THE TANKER-OWNING SUBSIDIARIES, AND SUCH PARTY IS RELYING SOLELY ON ITS OWN INVESTIGATION OF THE ASSETS OF THE TANKER-OWNING SUBSIDIARIES AND NOT ON ANY INFORMATION PROVIDED OR TO BE PROVIDED BY THE OTHER PARTY. EACH OF THE PARTIES HEREBY ACKNOWLEDGES THAT, TO THE MAXIMUM EXTENT PERMITTED BY LAW, THE ASSETS OWNED BY THE TANKER-OWNING SUBSIDIARIES, AS PROVIDED FOR HEREIN, ARE CONVEYED ON AN “AS IS,” “WHERE IS” CONDITION WITH ALL FAULTS, AND THE ASSETS OF THE TANKER-OWNING SUBSIDIARIES ARE CONVEYED SUBJECT TO ALL OF THE MATTERS CONTAINED IN THIS SECTION. EXCEPT TO THE EXTENT PROVIDED IN ANY ANCILLARY AGREEMENT, NONE OF THE PARTIES IS LIABLE OR BOUND IN ANY MANNER BY ANY VERBAL OR WRITTEN STATEMENTS, REPRESENTATIONS OR INFORMATION PERTAINING TO THE ASSETS OF THE TANKER-OWNING SUBSIDIARIES FURNISHED BY ANY AGENT, EMPLOYEE, SERVANT OR THIRD PARTY. THIS SECTION SHALL SURVIVE THE CONTRIBUTION AND CONVEYANCE OF THE TANKER-OWNING SUBSIDIARY SHARES OR THE TERMINATION OF THIS AGREEMENT. THE PROVISIONS OF THIS SECTION HAVE BEEN NEGOTIATED BY THE PARTIES AFTER DUE CONSIDERATION AND ARE INTENDED TO BE A COMPLETE EXCLUSION AND NEGATION OF ANY REPRESENTATIONS OR WARRANTIES, WHETHER EXPRESS, IMPLIED OR STATUTORY, WITH RESPECT TO THE ASSETS OF THE TANKER-OWNING SUBSIDIARIES THAT MAY ARISE PURSUANT TO ANY LAW NOW OR HEREAFTER IN EFFECT, OR OTHERWISE, EXCEPT AS SET FORTH IN THIS AGREEMENT OR ANY ANCILLARY AGREEMENT.

ARTICLE V

FURTHER ASSURANCES

Section 5.1 Further Assurances. From time to time after the date of this Agreement, and without any further consideration, the Parties agree to execute, acknowledge and deliver all such additional deeds, assignments, bills of sale, conveyances, instruments, notices, releases, acquittances and other documents, and will do all such other acts and things, all in accordance with applicable Law, as may be necessary or appropriate (a) more fully to assure that the applicable Parties own all of the properties, rights, titles, interests, estates, remedies, powers and privileges granted by this Agreement, or which are intended to be so granted, (b) more fully and effectively to vest in the applicable Parties and their respective successors and assigns beneficial and record title to the interests contributed and assigned by this Agreement or intended so to be and (c) to more fully and effectively carry out the purposes and intent of this Agreement.

ARTICLE VI

INDEMNIFICATION

Section 6.1 Release of Pre-Distribution Claims.

(a) Effective as of the Relevant Time, and except (i) as may be expressly provided in this Agreement or any Ancillary Agreement and (ii) for any matter for which any Party is entitled to indemnification pursuant to this Article VI, each Party, for itself and each member of its respective Group, their respective Affiliates and all Persons who at any time prior to the Relevant Time were directors, officers, agents or employees of any member of its Group (in their respective capacities as such), in each case, together with their respective heirs, executors, administrators, successors and assigns, do hereby remise, release and forever discharge the other Party and the other members of such other Party's Group, their respective Affiliates and all Persons who at any time prior to the Relevant Time were shareholders, directors, officers, agents or employees of any member of such other Party's Group (in their respective capacities as such), in each case, together with their respective heirs, executors, administrators, successors and assigns, from any and all Liabilities whatsoever, whether at Law or in equity, whether arising under any Contract, by operation of Law or otherwise, existing or arising from any acts or events occurring or failing to occur or alleged to have occurred or to have failed to occur or any conditions existing or alleged to have existed on or before the Relevant Time, including in connection with all activities to implement the Distribution and any of the other transactions contemplated hereunder and under the Ancillary Agreements.

(b) Nothing contained in Section 6.1(a) and Section 2.6 shall impair or otherwise affect any right of any Party, and as applicable, a member of the Party's Group to enforce this Agreement, any Ancillary Agreement or any agreements, arrangements, commitments or understandings contemplated in this Agreement or any Ancillary Agreement that continue in effect after the Relevant Time. In addition, nothing contained in Section 6.1(a) shall release any Person from any Liability that the Parties may have with respect to indemnification pursuant to this Agreement. In addition, nothing contained in Section 6.1(a) shall release Castor from indemnifying any director, officer or employee of SpinCo who was a director, officer or employee of Castor or any of its Affiliates on or prior to the Relevant Time, as the case may be, to the extent such director, officer or employee is or becomes a named defendant in any Action with respect to which he or she was entitled to such indemnification pursuant to then existing obligations.

Section 6.2 Indemnification by Castor. Effective as of the Relevant Time, Castor shall indemnify the SpinCo Group for any and all obligations and other Liabilities arising from, or relating to, the operation, management or employment of the Castor Retained Business prior to, on or after the Relevant Time.

Section 6.3 Indemnification by SpinCo. Effective as of the Relevant Time, SpinCo shall indemnify the Castor Group for any and all obligations and other Liabilities arising from, or relating to, the operation, management or employment of the SpinCo Business prior to, on or after the Relevant Time.

ARTICLE VII

TERMINATION

Section 7.1 Termination. This Agreement may be terminated at any time prior to the Distribution Date by and in the sole discretion of Castor without the approval of SpinCo or the shareholders of Castor. In the event of such termination, no Party shall have any Liability of any kind to the other Party or any other Person.

ARTICLE VIII

MISCELLANEOUS

Section 8.1 Complete Agreement; Construction. This Agreement, including the Ancillary Agreements, shall constitute the entire agreement between the Parties with respect to the subject matter hereof and shall supersede all previous negotiations, commitments and writings with respect to such subject matter. No understanding, representation, promise or agreement, whether oral or written, is intended to be or shall be included in or form part of this Agreement unless it is contained in a written amendment hereto executed by the Parties in accordance with the terms of this Agreement.

Section 8.2 Amendments. This Agreement may be amended or modified only by a written agreement executed and delivered by all of the Parties. This Agreement may not be modified or amended except as provided in the immediately preceding sentence and any purported amendment by any Party or Parties effected in a manner which does not comply with this Section 8.2 shall be void, *ab initio*.

Section 8.3 Counterparts. This Agreement may be executed in more than one counterparts, all of which shall be considered one and the same agreement, and shall become effective when one or more such counterparts have been signed by each of the Parties and delivered to the other Party. This Agreement may be executed and delivered by electronic means, including ".pdf" or ".tiff" files, and any electronic signature shall constitute an original for all purposes.

Section 8.4 Survival of Representations and Warranties. The representations and warranties of the Parties in this Agreement, and in or under any Ancillary Agreements, will survive the completion of the Transactions regardless of any independent investigations that SpinCo may make or cause to be made, or knowledge it may have, prior to the date of this Agreement and will continue in full force and effect for a period of one (1) year from the date of this Agreement. At the end of this period, such representations and warranties will terminate, and no claim may be brought by SpinCo against Castor thereafter in respect of such representations and warranties.

Section 8.5 Costs and Expenses.

(a) Except as otherwise provided in this Agreement or any of the Ancillary Agreements, all third-party fees, costs and expenses paid or incurred in connection with the Transactions will be paid by the Party incurring such fees or expenses, whether or not the Distribution is consummated, or as otherwise agreed by the Parties.

(b) Notwithstanding Section 8.5(a), if the Distribution is consummated, SpinCo will reimburse Castor for the Transaction Expenses, provided that SpinCo will not reimburse Castor for any of the Transaction Expenses that were incurred or paid by any of the Subsidiaries of Castor that will become part of the SpinCo Group immediately after the Relevant Time.

Section 8.6 Notices. All notices, requests, claims, demands and other communications under this Agreement and, to the extent applicable and unless otherwise provided therein, under each of the Ancillary Agreements, shall be in English, shall be in writing and shall be given or made (and shall be deemed to have been duly given or made upon receipt) by delivery in person, by overnight courier service, by facsimile (at a facsimile number to be provided by such Party to the other Party pursuant to the notice provisions of this Section 8.6) with receipt confirmed (followed by delivery of an original via overnight courier service), by email (at an email address to be provided by such Party to the other Party pursuant to the notice provisions of this Section 8.6) or by registered or certified mail (postage prepaid, return receipt requested) to the respective Party at the following addresses (or at such other address for a Party as shall be specified in a notice given in accordance with this Section 8.6):

To Castor:

Castor Maritime Inc.
[●]
Attention: [•]
Email: [•]

To SpinCo:

Toro Corp.
[●]
Attention: [•]
Email: [•]

Section 8.7 Waivers and Consents. The failure of any Party to require strict performance by the other Party of any provision in this Agreement will not waive or diminish that Party's right to demand strict performance thereafter of that or any other provision hereof. Any consent required or permitted to be given by any Party to the other Party under this Agreement shall be in writing and signed by the Party giving such consent.

Section 8.8 Successors and Assigns. The provisions of this Agreement and the obligations and rights hereunder shall be binding upon, inure to the benefit of and be enforceable by (and against) the Parties and their respective successors and permitted transferees and assigns.

Section 8.9 Deed; Bill of Sale; Assignment. To the extent required and permitted by applicable Law, this Agreement shall also constitute a "deed," "bill of sale" or "assignment" of the Tanker-Owning Subsidiary Shares.

Section 8.10 Subsidiaries. Each of the Parties shall cause to be performed, and hereby guarantees the performance of, all actions, agreements and obligations set forth herein to be performed by any Subsidiary of such Party.

Section 8.11 Third Party Beneficiaries. Except (i) as provided in Article VI for the release under Section 6.1 of any Person provided therein and (ii) as specifically provided in any Ancillary Agreement, this Agreement is solely for the benefit of the Parties and should not be deemed to confer upon third parties any remedy, claim, liability, reimbursement, claim of action or other right in excess of those existing without reference to this Agreement.

Section 8.12 Titles and Headings. Titles and headings to sections herein are inserted for the convenience of reference only and are not intended to be a part of or to affect the meaning or interpretation of this Agreement.

Section 8.13 Governing Law and Jurisdiction. This Agreement shall be governed by and construed in accordance with the laws of the Republic of Marshall Islands, without giving effect to any conflict-of-laws or other rule that would result in the application of the laws of a different jurisdiction. Each Party hereto submits to the exclusive jurisdiction of the courts of the Republic of Marshall Islands for any and all legal actions arising out of or in connection with this Agreement.

Section 8.14 WAIVER OF JURY TRIAL. EACH OF THE PARTIES HEREBY WAIVES TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY WITH RESPECT TO ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT. EACH OF THE PARTIES HEREBY (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF THE OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT, AS APPLICABLE, BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 8.14.

Section 8.15 Severability. In the event any one or more of the provisions contained in this Agreement should be held invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein and therein shall not in any way be affected or impaired thereby. The Parties shall endeavor in good-faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions, the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

Section 8.16 Interpretation. The Parties have participated jointly in the negotiation and drafting of this Agreement. This Agreement shall be construed without regard to any presumption or rule requiring construction or interpretation against the Party drafting or causing any instrument to be drafted.

[*Signature Page Follows*]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed as of the day and year first above written.

.

CASTOR MARITIME INC

By: _____
Name:
Title:

TORO CORP.

By: _____
Name:
Title:

ANNEX A
Registration Rights

PARTIES:	Toro Corp., a Marshall Islands corporation (the "Company") and Castor Maritime Inc., a Marshall Islands corporation ("Castor").
REGISTRABLE SECURITIES:	"Registrable Securities" means (i) common shares of the Company (or any other shares of a class of stock of the Company or other securities of the Company or a successor entity of the Company resulting from a merger, consolidation, exchange of shares or sale of all or substantially all of the assets of the Company) (the "Common Shares"), issued to Castor upon conversion of the Company's Series A Fixed Rate Cumulative Perpetual Convertible Preferred Shares of the Company (or assumed by a successor of the Company) (the "Series A Shares") and (ii) any Common Shares received by Castor in respect thereof in connection with any split or subdivision, dividend, distribution or similar transaction. Any such Common Shares shall cease to be Registrable Securities upon the earliest to occur of: (i) such Common Shares being sold pursuant to an effective registration statement under the U.S. Securities Act of 1933, as amended (the "Securities Act"), (ii) such Common Shares being sold pursuant to Rule 144 under the Securities Act ("Rule 144"), (iii) such Common Shares becoming eligible for sale by pursuant to Rule 144 without volume or manner-of-sale restrictions and (iv) such Common Shares ceasing to be outstanding.
REGISTRATION:	Subject to Castor timely providing the Company with all information and documents reasonably requested by the Company in connection with such filings, the Company will file, as promptly as reasonably practicable, and in any event no later than 30 calendar days after a request by Castor, one or more registration statements to register Registrable Securities then held by Castor (including a plan and method of distribution as reasonably determined by the Company and Castor). Each such registration statement may also register sales of securities for the account of the Company or other holders. The Company will use its reasonable best efforts to have each such registration statement declared effective as soon as possible after such filing. Subject to any Blackout Period, the Company will use its reasonable best efforts to keep such registration statement continuously effective until the end of the Term.

BLACKOUT PERIODS:	In the event that the Company determines in good faith that the registration or sale of Registrable Securities would reasonably be expected to materially adversely affect or materially interfere with any material financing of the Company or any material transaction under consideration by the Company or would require disclosure of information that has not been, and is not otherwise required to be, disclosed to the public, the Company shall be entitled to postpone the filing or the effectiveness of a registration statement, or suspend the availability of a registration statement and the prospectus contained therein for sales thereunder, for a period of up to 90 days. A Blackout Period may not occur more than 3 times in any period of 12 consecutive months or last, together with any other Blackout Period, in the aggregate, more than 90 days in any period of 12 consecutive months.
EXPENSES:	All fees and expenses incident to the Company's performance of its obligations hereunder (including all registration and filing fees) shall be borne solely by the Company. Castor shall pay all transfer taxes, if any, and the fees and expenses of its counsel, if any, relating to a sale of Registrable Securities.
TERM:	The rights and obligations hereunder shall terminate on (i) the date occurring after the seventh anniversary of the Original Issue Date of the Series A Shares on which Castor owns no Registrable Securities or (ii) if earlier, the date on which Castor owns no Series A Shares and no Registrable Securities.
GOVERNING LAW:	New York

Exhibit 8.1

VESSEL LIST

Subsidiary	Vessel	Flag Jurisdiction	Jurisdiction
Asterix Shipping Co.	Magic Perseus	Marshall Islands	Marshall Islands
Bagheera Shipping Co.	Magic Rainbow	Marshall Islands	Marshall Islands
Bistro Maritime Co.	Magic Sun	Marshall Islands	Marshall Islands
Cinderella Shipping Co.	Magic Eclipse	Marshall Islands	Marshall Islands
Garfield Shipping Co.	Magic Phoenix	Marshall Islands	Marshall Islands
Jerry Shipping Co.	Ariana A	Marshall Islands	Marshall Islands
Johnny Bravo Shipping Co.	Magic Mars	Marshall Islands	Marshall Islands
Jumaru Shipping Co.	Magic Nova	Marshall Islands	Marshall Islands
Kabamaru Shipping Co.	Magic Argo	Marshall Islands	Marshall Islands
Liono Shipping Co.	Magic Thunder	Marshall Islands	Marshall Islands
Luffy Shipping Co.	Magic Twilight	Marshall Islands	Marshall Islands
Mickey Shipping Co.	Magic Callisto	Marshall Islands	Marshall Islands
Mulan Shipping Co.	Magic Starlight	Marshall Islands	Marshall Islands
Pikachu Shipping Co.	Magic Moon	Marshall Islands	Marshall Islands
Pocahontas Shipping Co.	Magic Horizon	Marshall Islands	Marshall Islands
Pumba Shipping Co.	Magic Orion	Marshall Islands	Marshall Islands
Snoopy Shipping Co.	Magic Nebula	Marshall Islands	Marshall Islands
Songoku Shipping Co.	Magic Pluto	Marshall Islands	Marshall Islands
Spetses Shipping Co.	Magic P	Marshall Islands	Marshall Islands
Stewie Shipping Co.	Magic Vela	Marshall Islands	Marshall Islands
Super Mario Shipping Co.	Magic Venus	Marshall Islands	Marshall Islands
Tom Shipping Co.	Gabriela A	Marshall Islands	Marshall Islands

SUBSIDIARY LIST

Subsidiary	Jurisdiction
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 Maritime Ltd.	Malta
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 Maritime Ltd.	Malta
Tom Shipping Co.	Marshall Islands

Exhibit 12.1

CERTIFICATIONS

I, P. 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 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 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: March 8, 2023

By: /s/ Petros Panagiotidis
Name: Petros Panagiotidis
Title: Chairman, Chief Executive Officer and
Chief Financial Officer

Exhibit 13.1

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, 2021 (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: March 8, 2023

By: /s/ Petros Panagiotidis
Name: Petros Panagiotidis
Title: Chairman, Chief Executive Officer and
Chief Financial Officer

Exhibit 15.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statement Nos. 333-236331, 333-240262 and 333-254977 on Form F-3 of our report dated March 8, 2023, relating to the consolidated financial statements of Castor Maritime Inc. appearing in this Annual Report on Form 20-F for the year ended December 31, 2022.

/s/ Deloitte Certified Public Accountants S.A.
Athens, Greece
March 8, 2023