

INDEX TO THE CONSOLIDATED FINANCIAL STATEMENTS OF
ICON ENERGY CORP.

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Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Directors of Icon Energy Corp.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Icon Energy Corp. (the “Company”) as of December 31, 2024 and 2023, the related consolidated statements of (loss)/income, changes in shareholders’ equity and cash flows for each of the three years in the period ended December 31, 2024, and the related notes (collectively referred to as the “consolidated financial statements”). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2024 and 2023, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2024, in conformity with U.S. generally accepted accounting principles.

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/ Ernst & Young (Hellas) Certified Auditors Accountants S.A.

We have served as the Company’s auditor since 2023.

Athens, Greece
April 25, 2025

**ICON ENERGY CORP.
CONSOLIDATED BALANCE SHEETS**

(in thousands of U.S. dollars except for share data)

	<u>Notes</u>	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Assets			
Current assets			
Cash and cash equivalents		\$ 946	\$ 2,702
Due from manager	3	—	207
Inventories		133	57
Prepayments and advances		172	43
Other current assets		39	13
Total current assets		\$ 1,290	\$ 3,022
Non-current assets			
Vessels, net	4	26,098	9,181
Restricted cash	2,7	500	—
Advances for vessel improvements		—	22
Deferred drydocking costs, net	5	731	340
Deferred issuance costs		176	317
Total non-current assets		\$ 27,505	\$ 9,860
Total assets		\$ 28,795	\$ 12,882
Liabilities and shareholders' equity			
Current liabilities			
Current portion of long term debt, net of deferred financing costs	7	2,213	—
Due to manager	3	173	9
Accounts payable		394	85
Deferred revenue		135	247
Accrued liabilities		416	372
Distributions payable	8	—	3,000
Total current liabilities		\$ 3,331	\$ 3,713
Non-current liabilities			
Non-current portion of long term debt, net of deferred financing costs	7	13,718	—
Total non-current liabilities		\$ 13,718	\$ —
Total liabilities		\$ 17,049	\$ 3,713
Commitments and contingencies	6	—	—
Shareholders' equity			
Common shares: authorized 750,000,000 shares with a \$0.001 par value, 36,250 shares issued and outstanding as of December 31, 2024 and 5,000 shares issued and outstanding as of December 31, 2023	8	—	—
Preferred Shares: authorized 250,000,000 shares with a \$0.001 par value, 15,000 Series A Preferred Shares, 1,500,000 Series B Preferred Shares, and nil Series C Preferred Shares issued and outstanding as of December 31, 2024 and December 31, 2023	8	2	2
Additional paid-in capital	8	11,616	8,590
Retained earnings		128	577
Total shareholders' equity		\$ 11,746	\$ 9,169
Total shareholders' equity and liabilities		\$ 28,795	\$ 12,882

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

ICON ENERGY CORP.
CONSOLIDATED STATEMENTS OF (LOSS)/INCOME

<i>(in thousands of U.S. dollars except for share and per share data)</i>	Notes	Year ended December 31, 2024	Year ended December 31, 2023	Year ended December 31, 2022
Revenue, net	2	\$ 5,309	\$ 4,476	\$ 7,241
Voyage expenses, net		(335)	(162)	(270)
Vessels operating expenses		(2,377)	(1,880)	(1,786)
Management fees	3	(440)	(274)	(274)
General and administrative expenses	2	(345)	(18)	(12)
Other operating income		—	—	359
Depreciation expense	4	(1,130)	(680)	(680)
Amortization of deferred drydocking costs	5	(512)	(357)	(360)
Operating profit		\$ 170	\$ 1,105	\$ 4,218
Interest and finance costs	7	(452)	(3)	(3)
Interest income		72	56	13
Other costs, net		—	(3)	14
Net (loss) / income		\$ (210)	\$ 1,155	\$ 4,242
Accumulated dividends on Series A Preferred Shares	8	(977)	—	—
Net (loss) / income attributable to common shareholders		\$ (1,187)	\$ 1,155	\$ 4,242
(Loss) / earnings per common share, basic and diluted	9	\$ (60.83)	\$ 231.00	\$ 848.40
Weighted average number of shares, basic and diluted	9	19,515	5,000	5,000

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

ICON ENERGY CORP.
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

	Preferred Shares		Common Shares		Additional Paid in Capital	Retained Earnings	Total
<i>(in thousands of U.S. dollars except for share data)</i>	No. of Shares	Par Value	No. of Shares	Par Value			
Balance January 1, 2022	1,515,000	2	5,000	—	11,590	1,125	12,717
Net income for the period	—	—	—	—	—	4,242	4,242
Dividends on common shares (Note 8)	—	—	—	—	—	(2,638)	(2,638)
Balance December 31, 2022	1,515,000	2	5,000	—	\$ 11,590	\$ 2,729	\$ 14,321
Cash contributions from shareholders (Note 8)	—	—	—	—	700	—	700
Return of additional paid-in capital (Note 8)	—	—	—	—	(700)	—	(700)
Dividends on common shares (Note 8)	—	—	—	—	—	(3,307)	(3,307)
Return of additional paid in capital	—	—	—	—	(3,000)	—	(3,000)
Net income for the period	—	—	—	—	—	1,155	1,155
Balance December 31, 2023	1,515,000	2	5,000	—	\$ 8,590	\$ 577	\$ 9,169
Issuance of common shares and First Representative's Warrant, net of deferred issuance costs (Note 8)	—	—	31,250	—	3,026	—	3,026
Dividends on common shares (Note 8)	—	—	—	—	—	(239)	(239)
Net loss for the period	—	—	—	—	—	(210)	(210)
Balance December 31, 2024	1,515,000	2	36,250	—	\$ 11,616	\$ 128	\$ 11,746

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

ICON ENERGY CORP.
CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands of U.S. dollars—except for share data)

	<u>Notes</u>	<u>Year ended December 31, 2024</u>	<u>Year ended December 31, 2023</u>	<u>Year ended December 31, 2022</u>
Cash flows from operating activities				
Net (Loss)/Income		\$ (210)	\$ 1,155	\$ 4,242
<i>Adjustments to reconcile net (loss)/income to net cash provided by operating activities</i>				
Depreciation expense	4	1,130	680	680
Amortization of financing costs		28	—	—
Amortization of deferred drydocking costs	5	512	357	360
<i>(Increase)/decrease in:</i>				
Trade receivables		—	117	(74)
Due from manager	3	207	(39)	182
Inventories		(76)	77	(79)
Prepayments and advances		(129)	1	13
Other current assets		(26)	12	17
<i>Increase/(decrease) in:</i>				
Due to manager	3	164	9	—
Accounts payable		100	(94)	(608)
Deferred revenue		(112)	247	(209)
Accrued liabilities		179	(17)	(79)
Payments for drydocking	5	(903)	—	(456)
Net cash provided by operating activities		\$ 864	\$ 2,505	\$ 3,989
Cash flows from investing activities				
Vessels acquisitions and improvements	4	(18,025)	(22)	(225)
Net cash used in investing activities		\$ (18,025)	\$ (22)	\$ (225)
Cash flows from financing activities				
Cash contributions from shareholders	8	—	700	—
Proceeds from issuance of common shares	8	4,565	—	—
Return of additional paid-in capital	8	(3,000)	(700)	—
Dividends paid	8	(239)	(3,307)	(2,638)
Proceeds from long term debt	7	16,500	—	—
Finance and issuance costs paid	7,8	(1,621)	(25)	—
Repayment of long-term debt		(300)	—	—
Net cash provided by / (used in) financing activities		\$ 15,905	\$ (3,332)	\$ (2,638)
Net (decrease)/increase in cash, cash equivalents and restricted cash		\$ (1,256)	\$ (849)	\$ 1,126
Cash, cash equivalents and restricted cash at the beginning of the period		2,702	3,551	2,425
Cash, cash equivalents and restricted cash at the end of the period		\$ 1,446	\$ 2,702	\$ 3,551
Supplemental cash flow information				
Cash paid for interest		\$ 407	\$ —	\$ —
Reconciliation of Cash, cash equivalents and restricted cash				
Cash and cash equivalents		\$ 946	\$ 2,702	\$ 3,551
Restricted cash, non-current		500	—	—
Total cash, cash equivalents and restricted cash		\$ 1,446	\$ 2,702	\$ 3,551

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

ICON ENERGY CORP.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in thousands of U.S. dollars—except for share and per share data)

1. Basis of Presentation and General Information:

Icon Energy Corp. (“Icon” and together with its subsidiaries, the “Company”) was incorporated on August 30, 2023, under the laws of the Republic of the Marshall Islands and provides worldwide seaborne transportation services for dry bulk cargoes via its fleet of oceangoing vessels. Icon generates revenues by chartering its vessels to regional and international dry bulk operators, commodity traders and end users. As of December 31, 2024, Icon owned two vessels, both time-chartered by an international commodity trading conglomerate and earning floating daily hire rates linked to the Baltic Panamax Index:

Vessel name	Type	Built	Employment	Charter expiration
Alfa	Panamax	Japan, 2006	Index-linked time charter	October 2025 – February 2026
Bravo	Kamsarmax	Japan, 2007	Index-linked time charter	August 2025 – November 2025

On June 11, 2024, Icon acquired all of the outstanding shares of the investment holding company Maui Shipping Co. (“Maui”) in exchange for 15,000 Series A Cumulative Convertible Perpetual Preferred Shares (the “Series A Preferred Shares”), 1,500,000 Series B Perpetual Preferred Shares (the “Series B Preferred Shares”), and 5,000 common shares of Icon. Maui was incorporated on October 27, 2022, under the laws of the Republic of Marshall Islands and, on May 3, 2023, entered into a deed of transfer of shares with the shareholders of the shipowning company Positano Marine Inc. (“Positano”), whereby all outstanding shares of Positano were transferred to Maui.

The transactions described above were treated as reorganizations of companies under common control and have been accounted for in a manner similar to the pooling of interests method, as each entity was controlled by the Company’s Chairwoman and Chief Executive Officer. Accordingly, the Company’s consolidated financial statements have been presented by giving retroactive effect to the transactions described above, using historical carrying values of the assets and liabilities of Maui and Positano. The Company’s consolidated statements of (loss)/income present the results of operations for the period in which the transfers occurred as if the transfers of shares and exchange of equity interests had occurred on the date Positano was incorporated and as if Positano and Maui were consolidated subsidiaries of the Company from their date of incorporation. Results of operations and cash flows during the presented periods, comprise those of the previously separate entities consolidated. The equity accounts of the entities are combined and the difference between the consideration paid and the net assets acquired is reflected as an equity transaction and has been given retroactive effect as of the earliest period presented.

On July 15, 2024, Icon successfully completed the initial public offering of 31,250 of its common shares, at an offering price of \$160.00 per share, for gross proceeds of approximately \$5,000, before deducting underwriting discounts and offering expenses. Icon’s common shares began trading on the Nasdaq Capital Market on July 12, 2024, under the symbol “ICON.”

On April 1, 2025, Icon effected a reverse stock split (the “Reverse Stock Split”), whereby every 40 of its issued and outstanding common shares were automatically converted into 1, without any change in the par value per share or the total number of common shares Icon is authorized to issue. Accordingly, all share and per share data presented in these consolidated financial statements give retroactive effect to the Reverse Stock Split as of the earliest period presented.

The accompanying consolidated financial statements include the accounts of Icon and its subsidiaries:

Company	Activity	Incorporation country	Vessel name
Icon Energy Corp.	Parent	Marshall Islands	—
Maui Shipping Co. ⁽¹⁾	Intermediate holding	Marshall Islands	—
Positano Marine Inc. ⁽¹⁾	Shipowning	Marshall Islands	<i>M/V Alfa</i>
Reef Shiptrade Ltd. ⁽¹⁾	Shipowning	Marshall Islands	<i>M/V Bravo</i>

(1) Wholly owned subsidiaries

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 Icon, Maui and Positano and have been prepared on the basis described in Note 1 “Basis of presentation and general information” above. All intercompany balances and transactions have been eliminated upon consolidation. Icon, 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 dates of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting periods. On an on-going basis, management evaluates the estimates and judgments, including those related to uncompleted voyages, future drydock dates, the selection of useful lives and residual values for tangible assets, expected future cash flows from long-lived assets, and changes in environmental and other regulations, to support impairment tests and any provisions necessary for accounts receivable or legal disputes and contingencies. Management bases its estimates and judgments on historical experience and on various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from those estimates.

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 (loss)/income items and, accordingly, comprehensive (loss)/income equals net (loss)/income for the periods presented.

Foreign currency translation. The Company’s reporting and functional currency is the U.S. Dollar (“USD” or “\$”). 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. Any gains or losses from foreign currency translation into USD at the balance sheet date, as well as, differences in exchange rates between each foreign currency transaction date and its settlement date, are included in “other income, net” in the consolidated statements of (loss)/income.

Cash, cash equivalents and restricted cash. 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. Cash from time to time may consist of cash on hand and cash deposits held on call with banks. Cash deposits that are held for a specific purpose and cannot be used freely for general business operations are presented as “restricted cash” in the accompanying consolidated balance sheets. As of December 31, 2024, restricted cash consists of cash deposits required to be maintained throughout the term of the Company’s long-term debt and can only be applied towards repayment of the final principal instalment of such debt.

Trade receivables. The amount shown as trade receivables, at each balance sheet date, includes receivables from charterers for hire and other potential sources of income (such as ballast bonus compensation and/or holds cleaning compensation, etc.) under the Company’s charter contracts, 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. There were no doubtful accounts as of December 31, 2024 and 2023.

Inventories. Inventories consist of bunkers (during periods when vessels are unemployed, undergoing drydocking or special survey or under voyage charters), 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.

Vessels, net. Vessels 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 transportation services for dry bulk commodities. 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 expensed as incurred.

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 the Company's vessels to be 25 years from the date of her initial delivery from the shipyard.

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 her carrying value, including unamortized deferred drydocking costs and any related intangible assets. In this respect, management regularly reviews the carrying amount of its vessels in connection with their estimated recoverable amount.

As of December 31, 2024, the Company's management assessed that the prevailing dry bulk market conditions indicated that the carrying amount of one of the Company's vessels may potentially not be fully recoverable and, therefore, performed further analysis by comparing such vessel's carrying amount to its undiscounted operating cash flows projected to be generated throughout its estimated remaining useful life. The Company estimates future undiscounted operating cash flows based on assumptions regarding vessels utilization, time charter rates, operating expenses, capital expenditure, residual value, and useful life. The exercise resulted that the vessel's carrying amount is recoverable and no impairment charge should be recognized. As of the same date, the Company's management concluded that no impairment indicators were present for the Company's other vessel and, therefore, no further analysis should be performed. As of December 31, 2023 and 2022, the Company's management concluded that no impairment indicators were present for the Company's vessel and, therefore, no further analysis should be performed.

Segmental reporting. The Company transports dry bulk cargoes along global shipping routes through its ownership and operation of dry bulk vessels. The Company has identified its Chairwoman and Chief Executive Officer as the Chief Operations Decision Maker ("CODM") in accordance with ASC 280 "Segment Reporting." The CODM manages the business on a consolidated basis and uses the net (loss)/income as reported on the consolidated statement of (loss)/income to allocate resources, make operating decisions and assess performance, without discrete financial information for each charter type, customer, vessel or vessel type. Also, when the Company charters a vessel, the charterer is generally free to trade such vessel worldwide or within broad geographical limits and, therefore, the disclosure of geographical information is impracticable. Additionally, the vessels serve the same type of customers, have similar operations and maintenance requirements, operate in the same regulatory environment, and are subject to similar economic characteristics. As a result, the Company has identified one single reportable segment and the assets of such segment are presented under the caption "Total Assets" in the consolidated balance sheets. The significant expense category of the Company's sole reportable segment is vessel operating expenses as reported on the consolidated statement of (loss)/income. The Company, based on the principles of ASC 280 — "*Segment Reporting*", believes that disaggregating into more than one reportable segment, would not be meaningful or informative.

Drydocking and special survey costs. The Company’s vessels are subject to regularly scheduled drydocking and special surveys which are carried out every 30 or 60 months to coincide with the renewal of the related certificates issued by the classification societies, unless a further extension is obtained in rare cases and under certain conditions. Drydocking and special survey costs are accounted under the deferral method whereby the actual costs incurred are deferred and amortized on a straight-line basis over the period through the date the next survey is scheduled to become due. Costs qualifying for deferral mainly relate 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 dispatched to the yard site to supervise. The amortization charge related to drydocking and special survey costs is presented in “amortization of deferred drydocking costs” in the accompanying consolidated statements of (loss)/income. If a drydocking and/or a special survey is performed prior to its originally scheduled date, any remaining unamortized balance from previous events is immediately expensed. Unamortized balances of vessels that are sold are also written-off and included in the calculation of the resulting gain or loss in the period of the vessel’s sale.

Issuance costs. Incremental costs directly attributable to a proposed or actual offering of securities are deferred and charged against the gross proceeds of that offering. Such costs include underwriting, legal, accounting and advisory fees, printing, marketing and distribution costs, listing fees, transfer agent fees, regulatory compliance costs, insurance, and other incremental costs incurred in conjunction with a particular offering. Deferred issuance costs relating to aborted offerings are immediately expensed.

Crew, repairs and maintenance. All crew, repair and maintenance expenses are expensed in the period incurred. Such costs are included in “vessels operating expenses” in the accompanying consolidated statements of (loss)/income.

Revenues, voyage expenses and deferred revenue. Revenues are primarily generated from time charter agreements. Time charter agreements contain a lease when they meet the criteria of a lease under ASC 842 and are accounted for as operating leases. Time charter agreements customarily contain a minimum non-cancellable period and an extension period at the option of the charterer. Each lease term is assessed at the inception of that lease. Under a time-charter agreement, the charterer pays a daily hire for the use of the vessel and reimburses the owner for cargo hold cleanings, extra insurance premiums for navigating in high-risk areas and any damages caused by such charterer. Additionally, the charterer pays directly, or reimburses the Company, for substantially all port and canal dues, as well as for bunkers consumed during the term of the time charter. Such costs are included in “voyage expenses, net”. The owner pays commissions on the daily hire, to both the charterer and the brokers, as well as to the vessel’s commercial manager. Brokerage and commercial management commissions are direct costs and are recorded in “voyage expenses, net”, whereas commissions to charterers are deducted from revenue.

Under a time-charter agreement, the owner provides services related to the operation and the maintenance of the vessel, including crew, spares and repairs, which are recognized in “vessel operating expenses”. Time charter revenues are recognized over the term of the charter as service is performed, when they become fixed and determinable. Revenue generated from variable lease payments is recognized in the period when changes in the facts and circumstances on which the variable lease payments are based occur.

The Company, as lessor, has elected not to allocate the consideration in the agreement to the separate lease and non-lease components (operation and maintenance of the vessel), as their timing and pattern of transfer to the charterer, as the lessee, are the same and the lease component, if accounted for separately, would be classified as an operating lease. Additionally, the lease component is considered the predominant component as the Company has assessed that more value is ascribed to the lease of the vessel rather than to the services provided under the time charter contracts.

Deferred revenue includes cash received prior to the balance sheet date for which all criteria to recognize as revenue have not been met, including any deferred revenue resulting from charter agreements providing for varying annual rates, which are accounted for on a straight-line basis.

For the years ended December 31, 2024, 2023 and 2022, all of the Company’s revenue derived from lease contracts where the Company is the lessor. During the same periods, the Company’s major charterers that individually accounted for more than 10% of the Company’s revenue, were as follows:

Charterer	% of Company’s revenue during the years ended December 31,		
	2024	2023	2022
A	—	—	30%
B	100%	100%	70%

Voyage expenses primarily consist of bunker fuel consumption, port dues, canal tolls, brokerage and commercial management commissions, and other expenses directly associated to the performance of a particular charter. Apart from commissions, voyage expenses mainly arise from voyage charters, or when a vessel is repositioning or unemployed.

Furthermore, in time charters, bunker fuel remaining on board the vessel on commencement of the charter is sold to charterers and then repurchased on completion. This may result in gains or losses equal to the difference between the book value of bunker fuel and the value for which such bunker fuel is sold to charterers. These gains or losses, if any, are reported within “other operating income”.

The Company made an accounting policy election not to recognize as “contract fulfillment costs” the costs incurred between the charter party date (or, if later, the date the vessel was redelivered from her preceding charter) and the delivery date to the charterer. Such costs mainly relate to bunker fuel consumption and occasionally port dues and canal tolls, and are recognized as incurred in “voyage expenses”.

Accounting for financial instruments. The principal financial assets of the Company consist of cash and cash equivalents, amounts due from related parties and trade receivables. The principal financial liabilities of the Company consist of accounts payable, accrued liabilities and debt. The particular recognition methods applicable to each class of financial instrument are disclosed in the relevant significant policy description of each item, or clarified below as applicable.

Earnings/(Loss) per common share. Basic earnings/(loss) per common share are computed by dividing net (loss)/income available to common shareholders by the weighted average number of common shares outstanding during the year. Diluted earnings/(loss) per common share are computed using the ‘if converted’ method to reflect the potential dilution that could occur if securities or other contracts to issue common shares were exercised. If the effect of such securities or other contracts to issue common shares is determined to be antidilutive, it is excluded from the calculation of diluted earnings/(loss) per common share.

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.

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 consolidated 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 consolidated financial statements but are disclosed when an inflow of economic benefits is probable.

Interest Income. Interest earned on cash, cash equivalents and restricted cash deposits is recognized as earned and presented in “interest income” in the accompanying consolidated statements of (loss)/income.

Finance costs. Costs incurred in connection with entering into new, or amending existing, loan agreements or other financing arrangements, including arrangement, advisory, legal, and other fees and expenses, are deferred and amortized over the life of the related loan or financing arrangement using the effective interest method. Unamortized deferred finance costs relating to loans or other financing arrangements repaid or refinanced, meeting the criteria of debt extinguishment, are expensed in the period of such repayment or refinancing. Deferred finance costs are presented net of accumulated amortization as a deduction from the corresponding liability in the accompanying consolidated balance sheets. Amortization of deferred finance costs is included in “interest and finance costs” in the accompanying consolidated statements of (loss)/income.

Distinguishing liabilities from equity. The Company follows the provisions of ASC 480 “Distinguishing Liabilities from Equity” to determine the classification of certain freestanding financial instruments as either equity or liability. In its assessment, the Company also identifies any embedded features and examines whether those features, other than those with de minimis value, fall under the definition of a derivative according to the provisions of ASC 815 “Derivatives and Hedging,” or whether those features affect classification or require bifurcation. Please see note 8 “Capital Structure” for further information.

Going concern. By applying the provisions of ASC 205-40 “Presentation of Financial Statements–Going Concern,” the Company’s management evaluates whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company’s ability to continue as a going concern within one year after the date the financial statements are issued. As of the date the accompanying consolidated financial statements were issued, the Company’s management did not identify any such conditions or events and, therefore, the Company continues to prepare its financial statements by using the going concern basis of accounting.

General and administrative expenses. General and administrative expenses are recognized as incurred and include expenses associated with being a public company, such as stock exchange fees, regulatory and compliance costs, investor relations, and incremental director and officer liability insurance premiums. General and administrative expenses also include general corporate expenses, audit, legal, advisory and other professional fees, directors’ remuneration, and compensation for our executives and corporate secretary. Please see note 3 “Transactions with Related Parties” for further information regarding the compensation for our executives and corporate secretary.

Emerging growth company. The Company is an “emerging growth company,” as defined in the Jumpstart Our Business Startups Act of 2012, or JOBS Act, and it may take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies including, but not limited to, not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act of 2002, and reduced disclosure obligations. Further, the JOBS Act exempts emerging growth companies from being required to comply with new or revised financial accounting standards until private companies (that is, those that have not had a Securities Act registration statement declared effective or do not have a class of securities registered under the Exchange Act) are required to comply with such new or revised financial accounting standards.

The JOBS Act provides that a company can elect to opt out of the extended transition period and comply with the requirements that apply to non-emerging growth companies but any such election to opt out is irrevocable. The Company has elected to opt out of such extended transition period and will comply with new or revised accounting standards on the relevant dates on which adoption of such standards is required for non-emerging growth companies.

Recent Accounting Pronouncements - Adopted: In November 2023, the Financial Standards Accounting Board (FASB) issued Accounting Standards Update (ASU) No. 2023-07 - Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures. This ASU updates the annual and interim disclosure requirements for reportable segments, primarily through enhanced disclosures about significant segment expenses. ASU 2023-07 is effective for annual periods beginning after December 15, 2023, and for interim periods beginning after December 15, 2024. Early adoption is also permitted. The Company adopted this ASU during the year ended December 31, 2024. The adoption of this guidance modified the Company’s segment disclosures but had no impact on results of operations, cash flows or financial condition.

Recent Accounting Pronouncements. In November 2024, the FASB issued ASU 2024-03, “Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses”. The standard is intended to require more detailed disclosure about specified categories of expenses (including employee compensation, depreciation, and amortization) included in certain expense captions presented on the face of the income statement. This ASU is effective for fiscal years beginning after December 15, 2026, and for interim periods within fiscal years beginning after December 15, 2027. Early adoption is permitted. The amendments *may* be applied either prospectively to financial statements issued for reporting periods after the effective date of this ASU or retrospectively to all prior periods presented in the financial statements. The Company is currently assessing the impact this standard will have on its consolidated financial statements.

3. Transactions with Related Parties:

Pavimar S.A. – Ship management agreement

The Company’s board of directors had organized the provision of management services through Pavimar S.A., a ship management company incorporated in the Republic of the Marshall Islands, with a branch office in Greece established under the provisions of Greek Law 27 of 1975. Pavimar S.A. is controlled by the Company’s Chairwoman and Chief Executive Officer. Pursuant to the management agreement dated February 1, 2021, as amended on December 29, 2021, Pavimar S.A. provided the Company with vessel commercial and technical management services including, but not limited to, post-fixtue support, arranging and supervising crew, repairs and maintenance, insurance, provisions, bunkering, day to day vessel operations, and ancillary services.

Total management fees charged by Pavimar S.A. for the years ended December 31, 2024, 2023 and 2022, amounted to \$13, \$274 and \$274, respectively. In addition, the management agreement with Pavimar S.A. was terminated on January 18, 2024, and in accordance with its terms, the Company paid \$68 to Pavimar S.A. as the management fee continued to be payable for a further period of three calendar months as from the termination date, to enable Pavimar S.A. to finalize all outstanding matters. These amounts are included in “Management fees” in the accompanying consolidated statements of (loss)/income.

Further, to enable Pavimar S.A. to make payments relating to vessel operating expenses on behalf of the Company, the Company made monthly working capital advances to Pavimar S.A. Occasional and extraordinary funding needs, including those in relation to drydockings, were covered upon request or reimbursed at cost. The outstanding balance due from Pavimar S.A. was \$nil as of December 31, 2024, and \$207 as of December 31, 2023, reflected in “Due from manager” in the accompanying consolidated balance sheets.

Pavimar S.A. – Services agreement

Pursuant to the services agreement dated October 1, 2023, Pavimar S.A. provided the Company with the services of its Chief Executive Officer and Chief Financial Officer, for a fee of \$12 per annum. The services agreement was novated to Pavimar Shipping Co. on January 18, 2024, on the same terms. The related fees for the years ended December 31, 2024 and 2023, amounted to \$1 and \$3 respectively, and are included in “General and administrative expenses” in the accompanying consolidated statements of (loss)/income.

Pavimar Shipping Co. – Ship management agreement

On November 1, 2023, the Company entered into a management agreement with Pavimar Shipping Co. (“Pavimar”), a ship management company incorporated in the Republic of the Marshall Islands, with a branch office in Greece established under the provisions of Greek Law 27 of 1975. Pavimar is controlled by the Company’s Chairwoman and Chief Executive Officer. The management agreement with Pavimar became effective on January 18, 2024, and under its terms, Pavimar provides the Company with vessel commercial and technical management services including, but not limited to, securing employment, post-fixture support, handling vessel sale and purchases, arranging and supervising crew, repairs and maintenance, insurance, provisions, bunkering, day to day vessel operations, and ancillary services.

For the year ended December 31, 2024, technical management fees charged by Pavimar amounted to \$359, commercial management commissions amounted to \$68, and vessel sale and purchase commissions amounted to \$178. These amounts are included in “management fees,” “voyage expenses” and “vessels, net,” respectively, in the accompanying consolidated statements of (loss)/income and balance sheets.

Further, to enable Pavimar to make payments relating to vessel operating expenses on behalf of the Company, the Company makes monthly working capital advances to Pavimar. Occasional and extraordinary funding needs, including those in relation to drydockings, are covered upon request or reimbursed at cost. The outstanding balance due to Pavimar as of December 31, 2024, was \$173. This amount is reflected in “Due to manager” in the accompanying consolidated balance sheets.

In the event of termination of the management agreement for any reason other than Pavimar’s default, or if the vessel is lost, sold or otherwise disposed of, the management fee payable to Pavimar continues to be payable for a further period of three calendar months as from the termination date or, if greater than three months, for as long as the Company requires the services of Pavimar to finalize all outstanding matters. In addition, in the event of termination of the management agreement due to the Company’s default, change of control, or due to the Company tendering a termination notice for any reason other than Pavimar’s default, a termination fee of \$584 per vessel shall become due and payable to Pavimar.

Pavimar 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 detention of or delay to the Vessel) and howsoever arising in the course of performance of the management services unless same is proved to have resulted from the gross negligence or willful default of Pavimar, Pavimar’s employees, agents or subcontractors, in which case Pavimar’s liability for each incident or series of incidents giving rise to a claim or claims shall never exceed a total of \$1,000 per vessel.

Pavimar Shipping Co. – Services agreement

Pursuant to the services agreement dated October 1, 2023, as novated from Pavimar S.A. to Pavimar on January 18, 2024, on the same terms, Pavimar provides the Company with the services of its Chief Executive Officer and Chief Financial Officer. The services agreement was amended and restated on April 1, 2024, to include the provision of the services of the Company’s corporate secretary, for an additional fee of \$2 per annum, commencing on July 11, 2024. The related fees for the year ended December 31, 2024, amounted to \$13 and are included in “General and administrative expenses” in the accompanying consolidated statements of (loss)/ income.

Alexandria Enterprises S.A. – Shipbroking services

From time to time, the Company uses the commercial services of Alexandria Enterprises S.A., (“Alexandria”) an entity incorporated in the Republic of the Marshall Islands, specializing in shipbroking. Alexandria is controlled by family members of the Company’s Chairwoman and Chief Executive Officer. Alexandria charges the Company a commission on gross revenue generated from contracts brokered by Alexandria. Total commissions charged by Alexandria during the years ended December 31, 2024, 2023 and 2022, were \$nil, \$113 and \$188, respectively. These amounts are included in “voyage expenses” in the accompanying consolidated statements of (loss)/income. The balance due to Alexandria as of December 31, 2024 and 2023, was \$nil.

Atlantis Holding Corp.

The sole holder of the Series A Preferred Shares and Series B Preferred Shares is Atlantis Holding Corp., an entity incorporated in the Republic of the Marshall Islands, controlled by the Company’s Chairwoman and Chief Executive Officer. As of December 31, 2024, the accumulated dividends on the Series A Preferred Shares amounted to \$977. For further information about the main characteristics of the Series A Preferred Shares and the Series B Preferred Shares please see note 8 “Capital Structure.”

4. Vessels, net:

The movement in “Vessels, net”, between the periods presented in the accompanying consolidated balance sheets is analyzed as follows:

	Vessels cost	Accumulated depreciation	Vessels, net
Balance, January 1, 2022	\$ 11,066	\$ (525)	\$ 10,541
Depreciation	—	(680)	(680)
Balance, December 31, 2022	\$ 11,066	\$ (1,205)	\$ 9,861
Depreciation	—	(680)	(680)
Balance, December 31, 2023	\$ 11,066	\$ (1,885)	\$ 9,181
Vessels additions	18,047	—	18,047
Depreciation	—	(1,130)	(1,130)
Balance, December 31, 2024	\$ 29,113	\$ (3,015)	\$ 26,098

On August 2, 2024, Icon entered into an agreement with an unaffiliated third-party to acquire the M/V Bravo, a Kamsarmax dry bulk carrier with a carrying capacity of approximately 81.448 dwt, built in Japan in 2007, for a purchase price of \$17,573. The M/V *Bravo* was delivered to the Company on September 23, 2024. The vessels additions presented above relate to the purchase of M/V *Bravo* and related costs, and to the installation of efficiency improvement equipment on the M/V *Alfa* during her scheduled drydocking.

5. Deferred Drydocking Costs, net:

The movement in “Deferred drydocking costs, net”, between the periods presented in the accompanying consolidated balance sheets is analyzed as follows:

	Deferred drydocking costs, net
Balance, January 1, 2022	\$ 1,057
Amortization	(360)
Balance, December 31, 2022	\$ 697
Amortization	(357)
Balance, December 31, 2023	\$ 340
Additions	903
Amortization / write-off	(512)
Balance, December 31, 2024	\$ 731

On September 2, 2024, the M/V *Alfa* completed her scheduled drydocking, undergoing routine repairs and maintenance to ensure continued operational efficiency, safety, and compliance with class requirements. The additions presented above relate to the respective drydocking and special survey costs qualifying for deferral. Upon arrival of the M/V *Alfa* at the shipyard for her scheduled drydocking, the unamortized balance of previously deferred drydocking costs was written off.

6. Commitments and Contingencies:

Various claims, suits, 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 is member of a protection and indemnity association, or P&I Club that is a member of the International Group of P&I Clubs, which covers its third-party liabilities in connection with its shipping activities. Members of P&I Clubs are typically subject to possible supplemental amounts or calls, payable to the P&I Club based on its claim records as well as the claim records of all other members of the individual associations, and members of the International Group of P&I Clubs.

The Company also 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’s protection and indemnity insurance coverage for pollution is \$1,000,000 per vessel per incident.

Commitments under long-term lease contracts

The minimum contracted revenue expected to be recognized on the non-cancellable time charters of the vessels as of December 31, 2024, is estimated as follows:

Year	Amount
2025	4,100
Total	\$ 4,100

The amount of minimum contracted revenue is estimated by reference to the contracted period and hire rate, net of charterers’ commissions but before reduction for brokerage commissions and assuming no unforeseen off-hire days. For index-linked contracts, minimum contracted revenue is estimated by reference to the average of the relevant index during the 15 days preceding the calculation date.

7. Long-Term Debt:

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

	December 31, 2024
Total long-term debt	\$ 16,200
Less: Deferred financing costs	(269)
Total long-term debt, net of deferred financing costs	\$ 15,931
Current portion of long-term debt	\$ 2,300
Less: Current portion of deferred financing costs	(87)
Current portion of long-term debt, net of deferred financing costs	\$ 2,213
Non-current portion of long-term debt	\$ 13,900
Less: Non-current portion of deferred financing costs	(182)
Non-current portion of long-term debt, net of deferred financing costs	\$ 13,718

On September 16, 2024, Positano and Reef Shiptrade Ltd. (“Reef”), as joint and several borrowers, and Maui, as guarantor, entered into a new term loan facility with a leading international financial institution for up to \$91,500, consisting of a committed portion of up to \$16,500 and an uncommitted upside option of up to another \$75,000. On September 19, 2024, the entities borrowed the \$16,500 committed portion in full, to finance part of the purchase price of the M/V *Bravo* and to leverage the M/V *Alfa*. The borrowed portion of the term loan facility is secured by, among other things, a first priority mortgage on the M/V *Alpha* and the M/V *Bravo*, an assignment of their earnings and insurances, a pledge of their earnings accounts, and a pledge of the equity interests of each of the subsidiaries owning the mortgaged vessels. The term loan facility contains restrictive covenants that may limit or restrict the borrower’s and the guarantor’s ability to incur additional indebtedness, to make any substantial change to the nature of the their business, to pay dividends, to sell the mortgaged vessels or change their management, and to effect a change of control, enter into any amalgamation, demerger, merger, consolidation or corporate reconstruction or joint venture arrangement. It also contains certain financial covenants, requiring the borrowers to maintain minimum restricted cash deposits of \$250 per mortgaged vessel, and a minimum ‘loan to mortgaged vessels value’ ratio of 65%.

During the year ended December 31, 2024, the weighted average interest rate on the borrowed portion of the term loan facility was 8.6%, and the amount outstanding as of December 31, 2024, is repayable as follows:

Year	Amount
2025	\$ 2,300
2026	1,170
2027	2,280
2028	10,450
Total	\$ 16,200

The uncommitted upside option of up to another \$75,000 may be made available to the Company under the same term loan facility, in whole or in parts, to finance future vessel acquisitions. This portion of the term loan facility remains free of interest or other fees, and the Company is not obliged to borrow it, or any part thereof. The terms of borrowing this portion, or any part thereof, will be determined at the time it is requested.

8. Capital Structure:

Initial public offering. On July 15, 2024, Icon successfully completed the initial public offering of 31,250 of its common shares, at an offering price of \$160.00 per share, for gross proceeds of approximately \$5,000, before deducting underwriting discounts and offering expenses. Icon’s common shares began trading on the Nasdaq Capital Market on July 12, 2024, under the symbol “ICON.”

Transfer of shares to Maui. Maui was incorporated on October 27, 2022, under the laws of the Republic of Marshall Islands. On May 3, 2023, Maui entered a deed of transfer of shares with the shareholders of Positano by which all outstanding shares of Positano were transferred to Maui. The transaction was accounted for as described in note 1 “Basis of Presentation and General Information”.

Exchange agreement with Icon. Icon was incorporated on August 30, 2023, under the laws of the Republic of the Marshall Islands. On June 11, 2024, Icon acquired all of the outstanding shares of Maui in exchange for 15,000 Series A Preferred Shares, 1,500,000 Series B Preferred Shares of Icon, and 5,000 common shares of Icon. The transaction was accounted for as described in note 1 “Basis of Presentation and General Information”. As of December 31, 2024, the main characteristics of the Series A Preferred Shares and the Series B Preferred Shares are as follows:

- **Series A Preferred Shares** are perpetual, non-redeemable, have no maturity date and rank senior to the Company’s common shares and Series B Preferred Shares, with respect to dividend distributions and distributions upon liquidation, dissolution or winding up of the affairs of the Company, or upon sale of all or substantially all of the assets, property or business of the Company, or upon a change of control of the Company. Series A Preferred Shares have a stated amount of \$1,000 each, and may, at the option of the holders but not in parts, be converted into common shares at any time commencing on July 16, 2025 and until July 15, 2032. The conversion price is equal to the lower of (i) \$240.00 per common share, subject to certain anti-dilution adjustments and (ii) the volume weighted average price of the Company’s common shares over the five consecutive trading day period expiring on the trading day immediately prior to the date of delivery of written notice of the conversion. The holders of Series A Preferred Shares have no voting rights, subject to limited exceptions, and are entitled to receive biannual dividends, payable in cash or in kind or in a combination thereof, in the Company’s option, accruing at a dividend rate of 9.00% per annum on the stated amount per Series A Preferred Share and on any unpaid accrued dividends. In each event of non-payment or payment in kind, the dividend rate then in effect shall increase by a factor of 1.33 or 1.30, respectively, from the day of such event onwards (“Rate Adjustment”). On the day a previous non-payment is rectified, the increase will cease to apply. Partial non-payments, payments in kind or rectifications of previous non payments, will be treated proportionally. Series A Preferred Shares were issued on June 11, 2024. The Company has not declared or paid dividends on its Series A Preferred Shares during 2024. Accordingly, a Rate Adjustment has occurred on both June 30, 2024 and on December 31, 2024. The accumulated dividends on the Series A Preferred Shares as of December 31, 2024, amounted to \$977. This amount is not reflected in the accompanying consolidated balance sheets, but it is presented in the accompanying consolidated statements of (loss)/income as deduction from the net (loss)/income of the relevant period to derive the net (loss)/income attributable to common shareholders. The holders of Series A Preferred Shares also have the right to participate, on an as-converted basis, in certain non-recurring dividends and distributions declared or made on common shares. Accordingly, the holders of Series A Preferred Shares did not participate on an as-converted basis or otherwise, in any of the dividends the Company declared and paid to common shareholders during 2024.
- **Series B Preferred Shares** are perpetual, non-redeemable, not convertible into common shares, have no maturity date and rank *pari-passu* with the Company’s common shares. Each Series B Preferred Share has the voting power of 1,000 common shares and counts for 1,000 votes for purposes of determining quorum at a meeting of shareholders, subject to adjustments to maintain a substantially identical voting interest in the Company following certain events. The holders of Series B Preferred Shares have no dividend or distribution rights, other than upon the Company’s liquidation, dissolution or winding up, in which event the holders of Series B Preferred Shares shall be entitled to receive a payment up to an amount equal to the par value per Series B Preferred Share. Also, if the Company declares or makes any dividend or other distribution of voting securities of a subsidiary to the holders of the Company’s common shares by way of a spin off or other similar transaction, then, in each such case, each holder of Series B Preferred Shares shall be entitled to receive preferred shares of the subsidiary whose voting securities are so distributed with at least substantially similar rights, preferences, privileges and voting powers, and limitations and restrictions as those of the Series B Preferred Shares.

Rights agreement. On July 11, 2024, the Company entered into a stockholders’ rights agreement (the “Rights Agreement”), with Computershare Trust Company, N.A., as rights agent. Pursuant to the Rights Agreement, each of the Company’s common shares includes one right that entitles, once becomes exercisable, the holder to purchase one one-thousandth of a share of Series C Participating Preferred Stock (“Series C Preferred Share”) for \$1,000.00 (the “Exercise Price”) subject to specified adjustments. These rights separate from the common shares and become exercisable only if a person or group (the “Acquiring Person”) other than the Company’s Chairwoman and Chief Executive Officer or her controlled affiliates, acquires beneficial ownership of 10% (15% in the case of a passive institutional investor) or more of the Company’s outstanding common shares, in a transaction not approved by our Board of Directors. In that situation, each holder of a right (other than the Acquiring Person, whose rights will become void and will not be exercisable) will have the right to purchase, in lieu of one one-thousandth of a Series C Preferred Share, upon payment of the Exercise Price, a number of the Company’s common shares having a then-current market value equal to twice the Exercise Price. Under its terms, the Rights Agreement will expire on July 11, 2034.

First Representative’s Warrant. On July 15, 2024, in connection to the Company’s initial public offering, Icon issued to Maxim Group LLC, for acting as sole book-running manager, a warrant to purchase up to 2,000 common shares, in whole or in parts, at an exercise price of \$176.00 per common share, subject to certain anti-dilution adjustments (the “First Representative’s Warrant”). If at the time of exercise of the First Representative’s Warrant there is no effective registration statement registering, or the prospectus contained therein is not available for the issuance of, the common shares issuable upon such exercise, then the First Representative’s Warrant may only be exercised, in whole or in part, by means of a cashless exercise in which case, the holder shall be entitled to receive a number of common shares equal to the difference between the applicable spot price per common share of the Company (as determined in the First Representative’s Warrant) and the exercise price then in effect, multiplied by the number of common shares that would be issuable upon a cash exercise, divided by the applicable spot price per common share of the Company (as determined in the First Representative’s Warrant). The First Representative’s Warrant is exercisable on or after January 11, 2025, and expires on July 11, 2027, and does not entitle its holder to any voting rights, dividends or other rights as a shareholder of the Company prior to its exercise.

The accounting of the First Representative’s Warrant was assessed in accordance with its policy for distinguishing liabilities from equity (see note 2 “significant accounting policies and recent accounting pronouncements”) and it was determined that classification as equity is appropriate and that no features required bifurcation. In addition, since the First Representative’s Warrant was issued to Maxim Group LLC for its services in connection with the Company’s initial public offering, the Company considered the provisions of ASC 718 “Compensation-Stock Compensation” and the cost of the First Representative’s Warrant was classified within shareholders’ equity, against the respective offering proceeds.

Distributions. Dividends distributed to the Company’s common shareholders during the year ended December 31, 2024, 2023 and 2022, amounted to \$239, \$3,307 and \$2,638 (or \$6.60, \$661.35 and \$527.48 per common share outstanding), respectively. In addition, on April 1, 2024, the Company approved the return of an amount of \$3,000 of additional paid-in capital, which was paid on May 13, 2024. As this return of additional paid-in capital was made after December 31, 2023, but prior to the Company’s initial public offering, it has been given retroactive effect in the accompanying consolidated balance sheet as of December 31, 2023.

9. Earnings/(Loss) per common share:

All common shares issued have equal rights and participate in dividends. Profit or loss attributable to common equity holders is adjusted by the contractual amount of dividends on Series A Preferred Shares. Diluted earnings/(loss) per common share, if applicable, reflect 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 (loss)/income. As of December 31, 2024, and during the year then ended, the effect of the outstanding First Representative’s Warrant and Series A Preferred Shares (see note 8 “capital structure”), would be antidilutive, hence they were excluded from the computation of diluted earnings/(loss) per common share:

	Year ended December 31,		
	2024	2023	2022
Net (loss) / income	\$ (210)	\$ 1,155	\$ 4,242
Accumulated dividends on Series A Preferred Shares	(977)	—	—
Net (loss) / income attributable to common shareholders	\$ (1,187)	\$ 1,155	\$ 4,242
Divided by: Weighted average number of common shares, basic and diluted	19,515	5,000	5,000
(Loss)/Earnings per common share, basic and diluted	<u>\$ (60.83)</u>	<u>\$ \$231.00</u>	<u>\$ 848.40</u>

10. Financial Instruments and Fair Value Disclosures:

Credit risk. Financial instruments which potentially subject the Company to significant concentrations of credit risk, consist principally of trade receivables, amounts due from the manager, and cash and cash equivalents. The Company limits its credit risk by performing ongoing credit evaluations of its counterparties’ financial condition and by collecting its trade receivables mainly in advance. The Company generally does not require collateral for its trade receivables, but when considered necessary it may pursue additional securities and guarantees from its customers. Also, the Company places its cash and cash equivalents with established financial institutions and performs periodic evaluations of the relative credit standing of those financial institutions.

Fair value. The carrying values of the Company’s trade receivables, amounts due from/to the manager, accounts payable, and accrued liabilities, approximate their respective fair values due to the short-term nature of these financial instruments. Cash, cash equivalents and restricted cash are considered as Level 1 items in accordance with the fair value hierarchy. The recorded value of the Company’s long-term debt is a reasonable estimate of its fair value as it bears interest at a variable rate based on SOFR, which is observable at commonly quoted intervals for the full term of the long-term debt. Therefore, long-term debt is considered as a Level 2 item in accordance with the fair value hierarchy.

11. Taxes:

Marshall Islands tax considerations. Icon, Maui, Reef and Positano are incorporated under the laws of the Republic of Marshall Islands and are not subject to income taxes in the Republic of Marshall Islands.

Taxation on United States Source Income. Pursuant to § 883 of the Internal Revenue Code of the United States (the “Code”), U.S. source income from the international operation of ships is generally exempt from U.S. Federal income tax on such income if the company meets the following requirements: (a) the company is organized in a foreign country that grants an equivalent exception to corporations organized in the U. S. and (b) either (i) more than 50 percent of the value of the company’s stock is owned, directly or indirectly, by individuals who are “residents” of the company’s country of organization or of another foreign country that grants an “equivalent exemption” to corporations organized in the U.S. (the “50% Ownership Test”) or (ii) the company’s stock is “primarily and regularly traded on an established securities market” in its country of organization, in another country that grants an “equivalent exemption” to U.S. corporations, or in the U.S. (the “Publicly-Traded Test”).

The jurisdictions where the Company and its subsidiaries are incorporated grant an equivalent exemption to United States corporations. The Company believes that it will satisfy the 50% Ownership Test for the 2024 taxable year and expects to satisfy the substantiation and reporting requirements to claim the respective benefits. Therefore, the Company intends to take the position that it is exempt from U.S. federal income tax under Section 883 of the Code during the 2024 taxable year. However, there can be no assurance that the Company will continue to satisfy the requirements of the 50% Ownership Test in future taxable years.

12. Subsequent Events:

Public Offering. On January 24, 2025, the Company, successfully completed a public offering of 229,007 units containing common shares and warrants to purchase common shares (the “Class A Warrants”), at an offering price of \$52.4 per unit (such numbers retroactively adjusted for the one-for-forty reverse stock split effected on April 1, 2025). The Class A Warrants also contained certain mechanisms pursuant to which the holders could exercise each Class A Warrant for no additional cash consideration. Accordingly, as of April 24, 2025, substantially all of the Class A Warrants have been exercised via such cashless mechanism and the Company has issued 1,920,000 common shares. Gross proceeds to the Company, before deducting placement agent’s fees and other offering expenses, were approximately \$12.0 million. The Company intends to use the net proceeds of the offering for general corporate purposes, which may include, among other things, funding for working capital needs, debt repayments, and fleet expansion. Additionally, in connection with the offering, the Company issued to Maxim Group LLC, for acting as placement agent, a warrant to purchase up to 11,450 common shares, at an exercise price of \$57.64 per common share, subject to certain customary anti-dilution adjustments (the “Placement Agent’s Warrant”). The Placement Agent’s Warrant is exercisable commencing July 24, 2025 and will expire on July 24, 2028.

NASDAQ Minimum Bid Price. On March 7, 2025, the Company received a written notification from The Nasdaq Stock Market (“Nasdaq”), indicating that because the closing bid price of its common shares for 30 consecutive trading days, from January 23, 2025, to March 6, 2025, was below \$1.00 per share, the Company is no longer in compliance with Nasdaq Listing Rule 5550(a)(2) (the “Minimum Bid Price Requirement”). On April 1, 2025, the Company effected the Reverse Stock Split (as defined below) to regain compliance with the Minimum Bid Price Requirement. As of April 15, 2025, the closing bid price of the Company’s common shares remained at \$1.00 per share or higher for ten consecutive business days and as such, the Company received a letter from Nasdaq confirming that the Company regained compliance with the Minimum Bid Price Requirement.

Fleet expansion. On March 21, 2025, the Company entered into a definitive agreement with an unaffiliated third party to bareboat charter-in, with the option to eventually purchase, a 2020-built, scrubber-fitted, Eco, Ultramax, dry bulk carrier with a carrying capacity of 63,668 dwt. Icon intends to operate the vessel under the name *Charlie* and expects to take delivery between May and August 2025, subject to the satisfaction of certain customary closing conditions. Icon has made an advance payment of \$2,750 upon signing of the agreement and will pay an additional \$2,750 upon delivery, followed by a hire rate of \$7.50 per day over a three-year bareboat charter period. At the end of that period, Icon has the option to purchase the vessel for \$18,000. Icon has secured a time charter for the M/V *Charlie*, whereby the vessel will be employed by a reputable dry bulk operator for a period of 9 to 12 months, at a floating daily hire rate linked to the Baltic Supramax Index. In addition to the daily hire rate, Icon will also receive part of the fuel cost savings to be realized by the charterer through the use of the vessel’s scrubber. The time charter is expected to commence immediately upon delivery of the M/V *Charlie* to Icon, subject to the satisfaction of certain customary closing conditions.

Reverse stock split. On April 1, 2025, Icon effected a reverse stock split (the “Reverse Stock Split”), whereby every 40 of its issued and outstanding common shares were automatically converted into 1, without any change in the par value per share or the total number of common shares Icon is authorized to issue. No fractional shares were issued in connection with the Reverse Stock Split. The Reverse Stock Split did not (i) affect any common shareholder’s ownership percentage (except as a result of the cancellation of fractional shares), (ii) have any direct impact on the market capitalization of the Company, or (iii) modify any voting rights or other terms of the common shares. Immediately before the Reverse Stock Split, Icon had 87,410,311 outstanding Common Shares, which were reduced to 2,185,230 common shares. The Company’s shareholders approved and granted the Board the authority to implement one or more reverse stock splits within a range of split ratios, at the Company’s annual meeting of shareholders held on March 17, 2025. Accordingly, all share and per share data presented in these consolidated financial statements give retroactive effect to the Reverse Stock Split as of the earliest period presented.

Dividend. On April 22, 2025, our Board of Directors approved a cash dividend of \$0.07 per Common Share for the fourth quarter of 2024, payable on or around May 30, 2025, to all common shareholders of record as of May 16, 2025.