

INDEX TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS OF ICON ENERGY CORP.

Interim Consolidated Balance Sheets as of March 31, 2025 (unaudited) and December 31, 2024 (audited)	2
Unaudited Interim Consolidated Statements of (Loss)/Income for the three-month periods ended March 31, 2025 and 2024	3
Unaudited Interim Consolidated Statements of Changes in Shareholders' Equity for the three-month periods ended March 31, 2025 and 2024	4
Unaudited Interim Consolidated Statements of Cash Flows for the three-month periods ended March 31, 2025 and 2024	5
Notes to the Unaudited Interim Condensed Consolidated Financial Statements	6

ICON ENERGY CORP.
INTERIM CONSOLIDATED BALANCE SHEETS

<i>(in thousands of U.S. dollars except for share data)</i>	Notes	March 31, 2025 (unaudited)	December 31, 2024 (audited)
Assets			
Current assets			
Cash and cash equivalents		\$ 7,717	\$ 946
Due from manager	3	286	—
Inventories		187	133
Prepayments and advances		157	172
Other current assets		43	39
Total current assets		\$ 8,390	\$ 1,290
Non-current assets			
Vessels, net	4	25,526	26,098
Restricted cash	7	500	500
Other non-current assets	11	2,750	—
Deferred drydocking costs, net	5	602	731
Deferred issuance costs		—	176
Total non-current assets		\$ 29,378	\$ 27,505
Total assets		\$ 37,768	\$ 28,795
Liabilities and shareholders' equity			
Current liabilities			
Current portion of long term debt, net of deferred financing costs	7	1,717	2,213
Due to manager	3	4	173
Accounts payable		574	394
Deferred revenue		175	135
Accrued liabilities		427	416
Total current liabilities		\$ 2,897	\$ 3,331
Non-current liabilities			
Non-current portion of long term debt, net of deferred financing costs	7	13,537	13,718
Total non-current liabilities		\$ 13,537	\$ 13,718
Total liabilities		\$ 16,434	\$ 17,049
Commitments and contingencies	6	—	—
Shareholders' equity			
Common shares: authorized 750,000,000 shares with a \$0.001 par value, 2,185,230 shares issued and outstanding as of March 31, 2025 and 36,250 shares issued and outstanding as of December 31, 2024	8	2	—
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 March 31, 2025 and December 31, 2024	8	2	2
Additional paid-in capital	8	24,179	11,616
(Accumulated Deficit)/Retained earnings		(2,849)	128
Total shareholders' equity		\$ 21,334	\$ 11,746
Total shareholders' equity and liabilities		\$ 37,768	\$ 28,795

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

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

<i>(in thousands of U.S. dollars except for share and per share data)</i>	Notes	Three-month period ended	
		March 31, 2025	March 31, 2024
Revenue, net	2	\$ 1,525	\$ 1,360
Voyage expenses, net		(75)	(59)
Vessels operating expenses		(928)	(492)
Management fees	3	(144)	(140)
General and administrative expenses		(490)	(5)
Depreciation expense	4	(572)	(169)
Amortization of deferred drydocking costs	5	(129)	(89)
Operating (loss)/profit		\$ (813)	\$ 406
Interest and finance costs	7	(1,654)	(1)
Interest income		34	24
Loss on warrants, net	8	(537)	—
Other (costs)/income, net		(7)	1
Net (loss) / income		\$ (2,977)	\$ 430
Cumulative dividends on Series A Preferred Shares	8	(636)	—
Net (loss) / income attributable to common shareholders		\$ (3,613)	\$ 430
(Loss) / earnings per common share, basic and diluted	9	\$ (4.73)	\$ 86
Weighted average number of shares, basic and diluted	9	764,163	5,000

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

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

	Preferred Shares		Common Shares		Additional Paid in Capital	Retained Earnings	Total
(in thousands of U.S. dollars except for share data)	No. of Shares	Par Value	No. of Shares	Par Value			
Balance January 1, 2024	1,515,000	2	5,000	—	8,590	577	9,169
Net income for the period	—	—	—	—	—	430	430
Balance March 31, 2024	1,515,000	2	5,000	—	\$ 8,590	\$ 1,007	\$ 9,599
Balance January 1, 2025	1,515,000	2	36,250	—	\$ 11,616	\$ 128	\$ 11,746
Issuance of common shares and Placement Agent's Warrant (Note 8)	—	—	2,148,980	2	12,563	—	12,565
Net loss for the period	—	—	—	—	—	(2,977)	(2,977)
Balance March 31, 2025	1,515,000	2	2,185,230	2	\$ 24,179	\$ (2,849)	\$ 21,334

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

ICON ENERGY CORP.
UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands of U.S. dollars—except for share data)	Notes	Three-month period ended March 31, 2025	March 31, 2024
Cash flows from operating activities			
Net (Loss)/Income		\$ (2,977)	\$ 430
<i>Adjustments to reconcile net (loss)/income to net cash provided by operating activities</i>			
Depreciation expense	4	572	169
Amortization of financing costs		23	—
Issuance costs and loss on warrants		1,830	
Amortization of deferred drydocking costs	5	129	89
<i>(Increase)/decrease in:</i>			
Due from manager	3	(286)	110
Inventories		(54)	(26)
Prepayments and advances		15	(20)
Other current assets		(4)	2
<i>Increase/(decrease) in:</i>			
Due to manager	3	(169)	25
Accounts payable		133	(37)
Deferred revenue		40	1
Accrued liabilities		187	(30)
Payments for drydocking	5	—	(9)
Net cash (used in) / provided by operating activities		\$ (561)	\$ 704
Cash flows from investing activities			
Advances for other non-current assets	11	(2,750)	—
Net cash used in investing activities		\$ (2,750)	\$ —
Cash flows from financing activities			
Proceeds from issuance of common shares	8	11,085	—
Finance and issuance costs paid	7,8	(303)	(139)
Repayment of long-term debt		(700)	—
Net cash provided by / (used in) financing activities		\$ 10,082	\$ (139)
Net increase in cash, cash equivalents and restricted cash		\$ 6,771	\$ 565
Cash, cash equivalents and restricted cash at the beginning of the period		1,446	2,702
Cash, cash equivalents and restricted cash at the end of the period		\$ 8,217	\$ 3,267
Supplemental cash flow information			
Cash paid for interest		\$ 335	\$ —
Reconciliation of Cash, cash equivalents and restricted cash			
Cash and cash equivalents		\$ 7,717	\$ 3,267
Restricted cash, non-current		500	—
Total cash, cash equivalents and restricted cash		\$ 8,217	\$ 3,267

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

ICON ENERGY CORP.
NOTES TO THE UNAUDITED INTERIM CONDENSED 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.

Fleet. As of March 31, 2025, Icon owned the following vessels:

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

In addition, on June 21, 2025, Icon took delivery of its third vessel, a 2020-built, scrubber fitted, Eco, Ultramax, dry bulk carrier with a carrying capacity of 63,668 dwt, pursuant to a bareboat charter-in agreement with purchase option (note 11), and renamed it M/V *Charlie*. Please refer to Note 13 “*Subsequent Events*” herein for further information.

Formation of the Company. 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 unaudited interim condensed 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 unaudited interim 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 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.”

Reverse Stock Split. On April 1, 2025, Icon effected a reverse stock split (the “Reverse Stock Split”), whereby every forty of its issued and outstanding common shares were automatically converted into one, 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 unaudited interim condensed consolidated financial statements give retroactive effect to the Reverse Stock Split as of the earliest period presented.

Subsidiaries. The accompanying unaudited interim condensed 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	M/V <i>Alfa</i>
Reef Shiptrade Ltd. ⁽¹⁾	Shipowning	Marshall Islands	M/V <i>Bravo</i>
Charlie Marine Ltd. ⁽¹⁾	Bareboat charterer	Marshall Islands	M/V <i>Charlie</i> ⁽²⁾

⁽¹⁾ Wholly owned subsidiaries
⁽²⁾ Delivered on June 21, 2025, please refer to Note 13 “*Subsequent Events*” herein

2. Significant Accounting Policies and Recent Accounting Pronouncements:

A discussion of the Company’s significant accounting policies and recent accounting pronouncements can be found in Note 2 “*Significant Accounting Policies and Recent Accounting Pronouncements*” of the Company’s consolidated financial statements for the year ended December 31, 2024, included in the Company’s annual report on Form 20-F for the year ended December 31, 2024. There have been no material changes to these policies in the three-month period ended March 31, 2025, other than updates to reflect the passage of time and align with the financial data as of March 31, 2025, and for the three-month period then ended, as well as to include accounting policies that became significant to the Company as of March 31, 2025, and during the three-month period then ended, which are discussed below:

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.

Revenue, net. For the three-month periods ended March 31, 2025 and 2024, 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 three-month periods ended	
	March 31, 2025	March 31, 2024
A	100%	100%

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. Financial instruments meeting the classification of liability, are initially recognized at fair value with any excess of such fair value over the proceeds received recognized as a loss in the consolidated statements of (loss)/income. In turn, financial instruments classified as liabilities at fair value are remeasured at each balance sheet date, with any resulting (loss)/gain from changes in fair value being recorded in the consolidated statements of (loss)/income. Upon settlement, financial instruments classified as liabilities at fair value are marked to their fair value at the settlement date, the liability is settled, and shares issued are recorded in equity with appropriate allocation between par value and additional paid in capital.

Issuance costs. Issuance costs directly attributable to a proposed or actual offering of securities are deferred and charged against the gross proceeds of that offering, to the extent that those securities are classified as equity. For securities classified as liabilities, issuance costs are immediately expensed. Furthermore, deferred issuance costs relating to aborted offerings are also immediately expensed. Issuance 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.

Accounting for down round features. In accordance with ASC 815 “*Derivatives and Hedging*” the Company defines a down round feature as a feature in a financial instrument that reduces the strike price of an issued financial instrument if the issuer sells shares of its stock for an amount less than the currently stated strike price of the issued financial instrument, or issues an equity-linked financial instrument with a strike price below the currently stated strike price of the issued financial instrument, provided that standard antidilution provisions are not considered down round features. Upon the occurrence of an event that triggers a down round feature, the Company follows the guidance of ASC 260 “*Earnings Per Share*” to measure the value of the effect of the down round feature. Accordingly, that effect is treated as a dividend and as a reduction of income available to common shareholders in basic earnings per share, and the value of such effect is measured as the difference between (a) the fair value of the financial instrument (without the down round feature) with a strike price corresponding to the currently stated strike price of the issued instrument (that is, before the strike price reduction) and (b) the fair value of the financial instrument (without the down round feature) with a strike price corresponding to the reduced strike price upon the down round feature being triggered.

3. Transactions with Related Parties:

Pavimar Shipping Co. and Pavimar S.A. (Ship management). 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. Prior to January 18, 2024, similar services were provided to us by 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 Law 27 of 1975, also controlled by our Chairwoman and Chief Executive Officer.

In the event of termination of the management agreement for any reason other than Pavimar’s default, or if a 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.

Total charges by Pavimar during the three-month periods ended March 31, 2025 and 2024, comprise of technical management fees of \$144 and \$59, respectively, and commercial management commissions of \$19 and \$18, respectively. These amounts are included in “management fees” and “voyage expenses,” respectively, in the accompanying unaudited interim consolidated statements of (loss)/income. 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. Under that management agreement, the outstanding balance as of March 31, 2025, was \$286 due from Pavimar and \$173 due to Pavimar as of December 31, 2024. These amounts are reflected in “Due from manager” and “Due to manager” in the accompanying unaudited interim consolidated balance sheets.

Total charges by Pavimar S.A. during the three-month period ended March 31, 2024, comprise of technical management fees of \$81 which includes the fees payable to Pavimar S.A. for its services up to January 18, 2024, plus the fees payable for a further period of three calendar months thereafter, in accordance with the respective management agreement, to enable Pavimar S.A. to finalize all outstanding matters. These amounts are included in “management fees” in the accompanying unaudited interim consolidated statements of (loss)/income. No services were provided by Pavimar S.A. to the Company during the three-month period ended March 31, 2025. There were no outstanding balances under that management agreement with Pavimar S.A. as of March 31, 2025, or December 31, 2024.

Pavimar Shipping Co. and Pavimar S.A. (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 three-month periods ended March 31, 2025 and 2024, amounted to \$4 and \$2, respectively and are included in “General and administrative expenses” in the accompanying unaudited interim consolidated statements of (loss)/ income. Under that services agreement, the outstanding balance due to Pavimar as of March 31, 2025 and December 31, 2024 was \$4 and \$nil, respectively.

Prior to the novation to Pavimar, the services of the Company’s Chief Executive Officer and Chief Financial Officer were provided by Pavimar S.A., in exchange for a fee of \$12 per annum. The related fees for the three-month periods ended March 31, 2025 and 2024, amounted to \$nil and \$1 respectively, and are included in “General and administrative expenses” in the accompanying unaudited interim consolidated statements of (loss)/income. There were no outstanding balances under that services agreement with Pavimar S.A. as of March 31, 2025, or December 31, 2024.

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 March 31, 2025 and December 31, 2024, the accumulated dividends on the Series A Preferred Shares amounted to \$1,613 and \$977, respectively. Please also refer to Note 13 "Subsequent Events", and 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*” herein.

4. Vessels, net:

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

	Vessels cost	Accumulated depreciation	Vessels, net
Balance, January 1, 2025	\$ 29,113	\$ (3,015)	\$ 26,098
Depreciation	—	(572)	(572)
Balance, March 31, 2025	\$ 29,113	\$ (3,587)	\$ 25,526

5. Deferred Drydocking Costs, net:

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

	Deferred drydocking costs, net
Balance, January 1, 2025	\$ 731
Amortization	(129)
Balance, March 31, 2025	\$ 602

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 unaudited interim condensed 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 unaudited interim condensed 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 March 31, 2025, is estimated as follows:

Year	Amount
2025	4,096
Total	<u>\$ 4,096</u>

The amount of minimum contracted revenue is estimated by reference to the contracted period and hire rate, net of charterers’ commissions but before brokerage and commercial management 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 unaudited interim consolidated balance sheet of March 31, 2025 and December 31, 2024, is analyzed as follows:

	March 31, 2025	December 31, 2024
Total long-term debt	\$ 15,500	\$ 16,200
Less: Deferred financing costs	(246)	(269)
Total long-term debt, net of deferred financing costs	<u>\$ 15,254</u>	<u>\$ 15,931</u>
Current portion of long-term debt	\$ 1,800	\$ 2,300
Less: Current portion of deferred financing costs	(83)	(87)
Current portion of long-term debt, net of deferred financing costs	<u>\$ 1,717</u>	<u>\$ 2,213</u>
Non-current portion of long-term debt	\$ 13,700	\$ 13,900
Less: Non-current portion of deferred financing costs	(163)	(182)
Non-current portion of long-term debt, net of deferred financing costs	<u>\$ 13,537</u>	<u>\$ 13,718</u>

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 upsize 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, (i) a first priority mortgage on the M/V *Alpha* and the M/V *Bravo*, (ii) an assignment of their earnings and insurances, (iii) a pledge of their earnings accounts, and (iv) a pledge of the equity interests of each of the subsidiaries owning the mortgaged vessels. The term loan facility contains certain undertakings that may limit or restrict the borrower’s and the guarantor’s ability to (i) incur additional indebtedness, (ii) make any substantial change to the nature of the their business, (iii) pay dividends, (iv) sell the mortgaged vessels or change their management, and (v) 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 (i) minimum restricted cash deposits of \$250 per mortgaged vessel, and (ii) a minimum ‘loan to mortgaged vessels value’ ratio of 65%. As of March 31, 2025, the Company were in compliance with all applicable financial covenants.

The uncommitted upsize 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.

During the three-month period ended March 31, 2025, the weighted average interest rate on the borrowed portion of the term loan facility was 8.3%.

The amount outstanding as of March 31, 2025, is repayable in quarterly installments, with a balloon payment due at maturity in December 2028:

Year	Amount
2025	\$ 1,600
2026	1,170
2027	2,280
2028	10,450
Total	\$ 15,500

8. Capital Structure:

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” herein.

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, and 5,000 common shares of Icon. The transaction was accounted for as described in Note 1 “Basis of Presentation and General Information” herein. 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 (i.e. in the event of capital reorganization, merger, stock dividend or other distribution of the Company's assets, stock split or combination) (the “Pre-Determined Price”) 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 Pre-Determined Price is also subject to adjustments, when the Company issues equity securities at prices below the Pre-Determined Price then in effect. In that event, the Pre-Determined Price shall be reduced to an amount equal to the effective price of such issuance of equity securities. Such adjustment, may have an effect incremental to maintaining the value of the conversion privilege and, therefore, constitutes a down round feature. The Company’s January 2025 offering (as discussed below), would have triggered such feature, however, the Company entered into a waiver agreement with the sole holder of the Series A Preferred Shares, pursuant to which all potential adjustments to the Pre-Determined Price as a result of the January 2025 offering have been waived.

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 and the three month period ended March 31, 2025. 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 March 31, 2025 and December 31, 2024, amounted to \$1,613 and \$977, respectively. These amounts are not reflected in the accompanying unaudited interim consolidated and the audited consolidated balance sheets, respectively. The amount of \$636 related to dividends for the three month period ended March 31, 2025, is presented in the accompanying unaudited interim 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.

Lastly, 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 has declared and paid to common shareholders.

- 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.

Initial public offering. On July 15, 2024, the Company 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." Issuance costs directly attributable to the Company's initial public offering were initially deferred and, in turn, charged against the gross proceeds of that offering.

First Representative's Warrant. On July 15, 2024, in connection to the Company's initial public offering, the Company 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 (i.e. in the event of capital reorganization, merger, stock dividend or other distribution of the Company's assets, stock split or combination) (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, 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. As of March 31, 2025, no First Representative's Warrants have been exercised.

The accounting of the First Representative's Warrant was assessed in accordance with the Company's policy for distinguishing liabilities from equity (see Note 2 "*Significant Accounting Policies and Recent Accounting Pronouncements*" herein) 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.

January 2025 offering. On January 24, 2025, the Company completed a public offering of 229,007 units, each unit consisting of one common share and one warrant (the "Class A Warrants") to purchase common shares, at an offering price of \$52.4 per unit (such numbers retroactively adjusted for the Reverse Stock Split), for gross proceeds of approximately \$12,000, before deducting underwriting discounts and offering expenses. Issuance costs directly attributable to the Company's January 2025 offering were immediately expensed, since the Class A Warrants were classified as a liability (see section "Class A Warrants" below) at an initially estimated fair value that exceeded the proceeds received. Such issuance costs, amounting to \$1,293, are included in "interest and finance costs" in the accompanying unaudited interim consolidated statement of loss. The Company's principal purpose for the offering was to obtain additional capital to fund its operations and growth, including, among other things, funding for working capital needs, debt repayments and fleet expansion.

Placement Agent's Warrant. On January 24, 2025, in connection to the Company's January 2025 offering, the Company issued to Maxim Group LLC, for acting as placement agent, a warrant to purchase up to 11,450 common shares, in whole or in parts, at an exercise price of \$57.64 per common share, subject to certain anti-dilution adjustments (i.e. in the event of capital reorganization, merger, stock dividend or other distribution of the Company's assets, stock split or combination) (the "Placement Agent's Warrant"). If at the time of exercise of the Placement Agent'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 Placement Agent'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 Placement Agent'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 Placement Agent's Warrant). The Placement Agent's Warrant is exercisable on or after July 24, 2025, expires on July 24, 2028, and does not entitle its holder to any voting rights, dividends or other rights as a shareholder of the Company prior to its exercise. As of March 31, 2025, no Placement Agent's Warrants have been exercised.

The accounting of the Placement Agent's Warrant was assessed in accordance with the Company's policy for distinguishing liabilities from equity (see Note 2 "*Significant Accounting Policies and Recent Accounting Pronouncements*" herein) and it was determined that classification as equity is appropriate and that no features required bifurcation. In addition, since the Placement Agent's Warrant was issued to Maxim Group LLC for its services in connection with the Company's January 2025 offering, the Company considered the provisions of ASC 718 "*Compensation-Stock Compensation*" and the cost of the Placement Agent's Warrant was immediately expensed similarly to the issuance costs related to the January 2025 offering, discussed above.

Class A Warrants. The Class A Warrants included in the units sold by the Company in its January 2025 offering were immediately exercisable upon issuance, subject to certain beneficial ownership limitations, and expire on January 24, 2028. The Class A Warrants also contain certain (i) provisions adjusting the exercise price and number of underlying common shares and (ii) mechanisms pursuant to which the holders can exercise each Class A Warrant for no additional cash consideration. Based on the combination of these features, the maximum number of underlying common shares ranged between 343,511 and 2,290,076. Accordingly, up to March 31, 2025, substantially all of the Class A Warrants had been exercised via such cashless mechanism and the Company issued 1,920,000 common shares. The remaining Class A Warrants can be exercised for up to 49 common shares.

The accounting of the Class A Warrants was assessed in accordance with the Company’s policy for distinguishing liabilities from equity (see Note 2 “*Significant Accounting Policies and Recent Accounting Pronouncements*” herein) and it was determined that the Class A Warrants cannot be considered indexed to the Company’s stock due to alternative settlement method and, therefore, they were recorded as liabilities at fair value. The excess of such fair value over the proceeds received was recognized as a loss in the interim consolidated statement of loss. As of March 31, 2025, and upon each settlement date, the Class A Warrants were remeasured to their fair value with the resulting (loss)/gain from changes in fair value being recorded in the interim consolidated statement of loss, the respective liability settled, and shares issued recorded in equity with appropriate allocation between par value and additional paid in capital. Up to March 31, 2025, substantially all of the Class A Warrants had been exercised and the Company recorded a net loss of \$537 which is included in “loss on warrants, net” in the accompanying unaudited interim consolidated statement of loss. For further details about these fair value measurements please refer to Note 10 “Financial Instruments and Fair Value Disclosures.”

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 was 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 and on April 15, 2025, it received a letter from Nasdaq confirming that the Company regained compliance with the Minimum Bid Price Requirement.

Distributions. Dividends distributed to the Company’s shareholders during the three-month periods ended March 31, 2025, and 2024, amounted to \$nil.

9. Earnings/(Loss) per common share:

All common shares issued have equal rights and participate in dividends. Profit or loss attributable to common shareholders is adjusted by the contractual amount of dividends on Series A Preferred Shares. Diluted (loss)/earnings 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.

	Three-month periods ended	
	March 31, 2025	March 31, 2024
Net (loss) / income	\$ (2,977)	\$ 430
Dividends on Series A Preferred Shares	(636)	—
Net (loss) / income attributable to common shareholders	\$ (3,613)	\$ 430
Divided by: Weighted average number of common shares, basic and diluted	764,163	5,000
(Loss)/Earnings per common share, basic and diluted	\$ (4.73)	\$ \$86.00

Securities that could potentially dilute basic earnings per common share in the future that were not included in the above computation of diluted earnings per common share, because to do so would have anti-dilutive effect, are (i) the First Representative’s Warrant, (ii) the Placement Agent’s Warrant, (iii) the Class A Warrants and (iv) the Series A Preferred Shares (see Note 8 “*Capital Structure*” herein).

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.

Estimating fair values of liability classified financial instruments requires the development of estimates that may, and are likely to, change over the duration of the instrument with related changes in internal and external market factors. In addition, option-based techniques are highly volatile and sensitive to changes in the trading market price of the Company’s common shares. In estimating the fair value of the Class A Warrants, the Company considered their features, including their immediate exercisability, the holders’ cashless exercise option and the maximum underlying common shares, and determined it is appropriate to value them through Level 1 inputs, namely the quoted closing market price of the Company’s common shares on each measurement date. Accordingly, the Company initially recognized the Class A Warrants at an estimated fair value of \$46,269. The excess of such fair value over the proceeds received, amounting to \$34,278, was recognized as a loss in the interim consolidated statement of loss. Substantially all of the Class A Warrants were exercised between February 11, 2025, and March 27, 2025, and from the non-recurring fair value measurements during that period, the Company recorded (i) a gain on settlement of \$3,945 and (ii) a gain from changes in fair value of \$29,796. The gain from the recurring measurement of the fair value of the outstanding Class A Warrants as of March 31, 2025, and the fair value of the outstanding Class A Warrants as of the same date were both not material. The net effect of the above fair value measurements during the three month period ended March 31, 2025, was a loss of \$537.

11. Commitments and Contingencies:

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. Pursuant to that agreement, Icon made an advance payment of \$2,750 upon signing which is included in “prepaid expenses other, non-current” in the unaudited interim consolidated balance sheets, and is committed to pay an additional \$2,750 upon delivery, followed by a hire rate of \$7.50 per day over a three-year bareboat charter period, and \$18,000 at the end of that period, if the Company exercises its option to purchase the vessel. On June 21, 2025, Icon took delivery of that vessel and renamed it M/V *Charlie*. Please refer to Note 13 “*Subsequent Events*” herein for further information.

12. 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 2025 and 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 2025 and 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.

13. Subsequent Events:

Reverse stock split. On April 1, 2025, Icon effected the Reverse Stock Split, whereby every forty of its issued and outstanding common shares were automatically converted into one, 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.

Dividend to Common Shareholders. On April 22, 2025, The Company’s Board of Directors approved a cash dividend of \$0.07 per common share for the fourth quarter of 2024, which was paid on May 30, 2025, to all common shareholders of record as of May 16, 2025.

Fleet expansion. On June 21, 2025, the Company took delivery of M/V *Charlie*, a 2020-built, scrubber-fitted, Eco, Ultramax, dry bulk carrier with a carrying capacity of 63,668 dwt. Upon delivery, the Company paid an additional amount of \$2,750 and declared its intention to exercise its option to purchase the vessel for \$18,000 at the end of the three year bareboat charter period, subject to certain conditions.

Dividend to holders of Series A Preferred Shares. On June 26, 2025, the Company's Board of Directors declared a dividend on Series A Preferred Shares in the amount of \$2,249, which was paid in kind, by issuing 2,249 Series A Preferred Shares on June 30, 2025.

MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our unaudited interim condensed consolidated financial statements and the notes thereto, filed with the U.S. Securities and Exchange Commission (the “SEC”) on the same day with this discussion. Those financial statements have been prepared in accordance with the United States generally accepted accounting principles (“US GAAP”) and, among other things, include more detailed information regarding the basis of presentation for the following information. Unless otherwise specified herein or the context otherwise requires, references to the “Company,” “Icon,” “Icon Energy,” “we,” “our” and “us” or similar terms, refer to Icon Energy Corp. and its wholly owned subsidiaries.

All share and per share amounts disclosed in this discussion give retroactive effect, for all periods presented, to the one-for-forty reverse stock split of our common shares effected on April 1, 2025.

Overview

We are a growth-oriented shipping company, providing worldwide seaborne transportation services for dry bulk cargoes via our fleet of oceangoing vessels. We generate our revenues by chartering our vessels to regional and international dry bulk operators, commodity traders and end users. As of March 31, 2025, our fleet comprised of the following dry bulk vessels:

Vessel name	Type	Built	Employment	Earliest charter expiration	Latest charter expiration
Alfa	Panamax	2006	Index-linked time charter	October 2025	February 2026
Bravo	Kamsarmax	2007	Index-linked time charter	August 2025	November 2025

In addition, 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. On June 21, 2025, Icon took delivery of that vessel and renamed it M/V *Charlie*. Upon delivery, the vessel was time chartered to 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.

Implications of Being an Emerging Growth Company

We qualify as an “emerging growth company” as defined in the JOBS Act. An emerging growth company may take advantage of specified reduced reporting and other burdens that are otherwise applicable generally to public companies. These provisions include:

- exemption from the auditor attestation requirement in the assessment of the emerging growth company’s internal controls over financial reporting under Section 404(b) of Sarbanes-Oxley;
- exemption from new or revised financial accounting standards applicable to public companies until such standards are also applicable to private companies; and
- exemption from compliance with any new requirements adopted by 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 take advantage of these provisions until the end of the fiscal year following the fifth anniversary of our initial public offering or such earlier time that we are no longer an emerging growth company. 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.

We are choosing to take advantage of these reduced burdens, save for the exemption from new or revised financial accounting standards applicable to public companies until such standards are also applicable to private companies. We are choosing 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 public companies. Section 107 of the JOBS Act provides that our decision to opt out of the extended transition period for complying with new or revised accounting standards is irrevocable.

Cautionary Note Regarding Forward-Looking Statements

This discussion and analysis of financial condition and results of operations contains “forward-looking statements.” Statements that are predictive in nature, that depend upon or refer to future events or conditions, or that include words such as “anticipate,” “believe,” “continue,” “could,” “estimate,” “expect,” “intend,” “may,” “might,” “plan,” “possible,” “potential,” “predict,” “project,” “should,” “would” and similar expressions that are other than statements of historical fact are forward-looking statements, but the absence of these words does not mean that a statement is not forward-looking. These forward-looking statements 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 the Company believes that these assumptions were reasonable when made, because these assumptions are inherently subject to significant risks, uncertainties and contingencies which are difficult or impossible to predict and are beyond our control, the Company cannot provide assurance that it will achieve or accomplish these expectations, beliefs or projections. The Company’s actual results could differ materially from those anticipated in forward-looking statements for many reasons, including as described in the Company’s filings with the SEC. As a result, you are cautioned not to unduly rely on any forward-looking statements, which speak only as of the date of this discussion.

Factors that could cause actual results to differ materially from those discussed in the forward-looking statements include, among other things: the Company’s future operating or financial results; the Company’s liquidity, including its ability to service any indebtedness; changes in shipping industry trends, including charter rates, vessel values and factors affecting vessel supply and demand; future, pending or recent acquisitions and dispositions, business strategy, areas of possible expansion or contraction, and expected capital spending or operating expenses; risks associated with operations; broader market impacts arising from war (or threatened war) or international hostilities; risks associated with pandemics; and other factors listed from time to time in the Company’s filings with the SEC. Except to the extent required by law, the Company expressly disclaims any obligations or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in the Company’s expectations with respect thereto or any change in events, conditions or circumstances on which any statement is based. You should, however, review the factors and risks the Company describes in the reports it files and furnishes from time to time with the SEC, which can be obtained free of charge on the SEC’s website at www.sec.gov.

Factors Affecting our Results of Operations

We believe the principal factors affecting our results of operations are the underlying supply and demand dynamics of the commodities our vessels carry, the number of vessels competing for those cargoes, and ultimately the overall economic and market conditions, regulatory changes, global geopolitical events, capital availability, and market sentiment. Other key factors that are fundamental to our business, operating results, cash flows and financial condition include:

- the number of vessels in our fleet;
- our customer relationships;
- our access to capital required to acquire additional vessels and implement our business strategy;
- our ability to acquire and sell vessels at prices we deem satisfactory; and
- our and our vessels’ manager ability to:
 - o successfully utilize and employ our vessels at economically attractive rates;
 - o effectively and efficiently manage our vessels and control vessel operating costs; and
 - o ensure compliance with regulations, environmental, health and safety standards applicable to our business.

In addition to those factors described above, our results of operations have been, and are expected to continue to be, affected by a range of material events and uncertainties many of which are beyond our control. Therefore, it is reasonably likely that the reported financial information is not necessarily indicative of our future operating results or future financial condition. Please also read “Item 3. Key Information—D. Risk Factors” and “Item 4. Information on the Company - B. Business Overview” of the Company’s most recent annual report filed with the SEC on April 25, 2025.

Components of our operating results

Operating segments. We transport dry bulk cargoes along global shipping routes through our ownership and operation of dry bulk vessels. We have identified our 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 we charter 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, we have identified one single reportable segment and the assets of such segment are presented under the caption “Total Assets” in our consolidated balance sheets. The significant expense category of our sole reportable segment is vessel operating expenses as reported on our consolidated statement of (loss)/income. We, based on the principles of ASC 280—“*Segment Reporting*”, believe that disaggregating into more than one reportable segment, would not be meaningful or informative.

Revenue, net. We generate our revenues by chartering our vessels to regional and international dry bulk operators, commodity traders and end users. The main charter contract types are (i) voyage charters, also known as spot voyages, where the owner and charterer agree to carry out a single voyage to transport an agreed quantity of cargo between certain ports or geographical regions, (ii) time charters, where the charterer agrees to hire a vessel for a predetermined period of time with the operational responsibility of the vessel remaining with the owner, and (iii) bareboat charters, where a vessel is fully leased to a charterer, including all operational responsibility.

Our vessels are currently employed by an international commodity trading conglomerate, on time charters expiring between August 2025 and February 2026, earning hire at floating daily rates linked to the Baltic Panamax Index. Furthermore, on June 21, 2025, we took delivery of M/V *Charlie*, a 2020-built, scrubber-fitted, Eco, Ultramax, dry bulk carrier with a carrying capacity of 63,668 dwt. Upon delivery, the vessel was time chartered to 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.

Voyage expenses, net. 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. In such cases voyage expenses are borne by us. Conversely, when a vessel is employed under a time charter, substantially all voyage expenses are paid by the charterers, save for commissions.

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 under other operating income.

Vessel operating expenses. Vessel operating expenses reflect the costs to operate and maintain our vessels and primarily consist of manning costs, vessel insurance premiums, repairs and maintenance, machinery lubricants, spares, stores, and ancillary expenses.

Management fees. Management fees are paid in exchange for certain corporate administration functions, and vessel commercial and technical management services. Our Board of Directors has organized the provision of management services through 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 Law 27 of 1975. Pavimar is controlled by our Chairwoman and Chief Executive Officer. Pursuant to the management agreement, which became effective on January 18, 2024, Pavimar provides us 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. Prior to January 18, 2024, similar services were provided to us by 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 Law 27 of 1975, also controlled by our Chairwoman and Chief Executive Officer.

In our results of operations, the technical management fees, commercial management commissions, and sale or purchase commissions, are reported under "management fees," "voyage expenses, net" and "vessels, net" or "gain/loss on sale of vessels," respectively.

General and administrative expenses. General and administrative expenses 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. Pavimar S.A. provided us with the services of our Chief Executive Officer and Chief Financial Officer pursuant to a services agreement (the "Services Agreement") dated October 1, 2023, which was novated to Pavimar on January 18, 2024, on the same terms. The compensation payable under that Services Agreement was originally \$12,000 per annum, and was amended and restated on April 1, 2024, to include the services of our corporate secretary for an additional fee of \$2,000 per annum, commencing on July 11, 2024, the date our registration statement on form F-1 in connection with our initial public offering was declared effective by the SEC.

Depreciation expense. Depreciation is computed using the straight-line method over the estimated useful life of a vessel, after considering its 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 the depreciation expense in the period of the revision and future periods. Management estimates the useful life of our vessels to be 25 years from the date of initial delivery from the shipyard.

Amortization of deferred drydocking costs. Vessels are subject to regularly scheduled drydocking and special surveys which are carried out every 30 to 60 months to coincide with the renewal of the related compliance 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 for under the deferral method, whereby the 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. 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.

Interest and finance costs. Interest and finance costs primarily consist of interest expense incurred under our loan agreements or other financing arrangements, as well as finance costs related to entering into new or amending existing loan agreements or other financing arrangements, including arrangement, advisory, legal, and other fees and expenses. Finance costs 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. Interest and finance costs, also include issuance costs which have been immediately expensed (please refer to Note 2 “*Significant Accounting Policies and Recent Accounting Pronouncements—Issuance costs*” of our unaudited interim condensed consolidated financial statements filed with the SEC on the same day with this discussion).

Interest income. Interest income reflects the interest earned on our cash, cash equivalents and restricted cash deposits.

Loss on warrants, net. In January 2025, the Company completed a public offering of units, each unit consisting of one common share and one warrant (the “Class A Warrants”) to purchase common shares (the “January 2025 Offering”). Loss on warrants, net, reflects the loss recognized on initial measurement of the Class A Warrants, net of the gains recognized on subsequent remeasurements of such fair value upon each settlement date and as of March 31, 2025. The accounting of the Class A Warrants was assessed in accordance with the Company’s policy for distinguishing liabilities from equity (please refer to Note 2 “*Significant Accounting Policies and Recent Accounting Pronouncements—Distinguishing liabilities from equity*” of our unaudited interim condensed consolidated financial statements filed with the SEC on the same day with this discussion).

Significant Accounting Policies

The discussion and analysis of financial condition and results of operations is based on our unaudited interim condensed consolidated financial statements and the notes thereto, which have been prepared in accordance with US GAAP and filed with the SEC on the same day with this discussion.

Significant accounting policies are those that are both most important to the portrayal of our financial condition and results, and require management’s most difficult, subjective, or complex judgments, often as a result of the need to make estimates about the effects of matters that are inherently uncertain. For a more detailed discussion of the Company’s significant accounting policies, including use of accounting estimates and recent accounting pronouncements please refer to Note 2 “*Significant Accounting Policies and Recent Accounting Pronouncements*” of our unaudited interim condensed consolidated financial statements filed with the SEC on the same day with this discussion.

Critical Accounting Estimates

The preparation of our unaudited interim condensed consolidated financial statements in conformity with US 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 unaudited interim condensed consolidated financial statements, and the reported amounts of revenues and expenses during the reporting periods. Management evaluates the estimates and judgments on an on-going basis, 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 to support impairment tests, provisions necessary for accounts receivable, and provisions for 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.

Critical accounting estimates are those that reflect significant judgments of uncertainties and potentially result in materially different results under different assumptions and conditions. For a more detailed discussion of the Company’s critical accounting estimates please refer to Note 2 “*Significant Accounting Policies and Recent Accounting Pronouncements*” of our unaudited interim condensed consolidated financial statements filed with the SEC on the same day with this discussion.

Key performance indicators

The key performance indicators that management uses to assess our financial condition and results of operations are:

Ownership Days. Ownership Days are the total days we owned our vessels during the relevant period. We use this to measure the size of our fleet over a period.

Available Days. Available Days are the Ownership Days, less any days during which our vessels were unable to be used for their intended purpose as a result of scheduled maintenance, upgrades, modifications, drydockings, special or intermediate surveys, or changes in ownership logistics, including positioning for and repositioning from such events. We use this to measure the number of days in a period during which our vessels should be capable of generating revenues.

Operating Days. Operating Days are the Available Days, less any days during which our vessels were unable to be used for their intended purpose as a result of unforeseen events and circumstances. We use this to measure the number of days in a period during which our vessels actually generated revenues.

Vessel Utilization. Vessel Utilization is the ratio of Operating Days to Available Days, measuring the days during which our vessels actually generated revenues as a percentage of the days during which our vessels should be capable of generating revenues.

Average Number of Vessels. Average Number of Vessels is the ratio of Ownership Days to calendar days in a period and is another measure of the size of our fleet over a period.

Minimum Contracted Revenue. The amount of minimum contracted revenue is estimated by reference to the contracted period and hire rate, net of charterers’ commissions but before brokerage and commercial management 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.

Non-GAAP financial measures. To supplement our financial information presented in accordance with US GAAP, we may use certain “non-GAAP financial measures” as such term is defined in Regulation G promulgated by the SEC. Generally, a non-GAAP financial measure is a numerical measure of a company’s operating performance, financial position or cash flows that excludes or includes amounts that are included in, or excluded from, the most directly comparable measure calculated and presented in accordance with US GAAP. We believe non-GAAP financial measures provide investors with greater transparency and supplemental data relating to our financial condition and results of operations and, therefore, a more complete understanding of our business and financial performance than the comparable US GAAP measures alone. However, non-GAAP financial measures should only be used in addition to, and not as substitutes for, the financial results presented in accordance with US GAAP. Although we believe the following definitions and calculation methods are consistent with industry standards, our non-GAAP financial measures may not be directly comparable to similarly titled measures of other companies:

- Time Charter Equivalent (“TCE”).* TCE is a measure of revenue generated over a period that accounts for the effect of the different charter types under which our vessels may be employed. TCE is calculated by deducting voyage expenses from revenue and making any other adjustments that may be required to approximate the revenue that would have been generated, had the vessels been employed under time charters, net of commissions. TCE is typically expressed on a daily basis (“Daily TCE”) by dividing it by Operating Days, to eliminate the effect of changes in fleet composition between periods.
- Daily Vessel Operating Expenses (“Daily OPEX”).* Daily OPEX is a measure of the vessel operating expenses incurred over a period divided by Ownership Days, to eliminate the effect of changes in fleet composition between periods.
- Earnings before Interest, Tax, Depreciation and Amortization (“EBITDA”).* EBITDA is a financial measure we calculate by deducting interest and finance costs, interest income, taxes, depreciation and amortization, from net income. EBITDA assists our management by carving out the effects that non-operating expenses and non-cash items have on our financial results. We believe this also enhances the comparability of our operating performance between periods and against companies that may have varying capital structures, other depreciation and amortization policies, or that may be subject to different tax regulations.

The following table summarizes these key performance indicators during the reported periods. Please also see section “Non-GAAP Financial Measures Reconciliation to GAAP” for a reconciliation of each non-GAAP financial measure to the most directly comparable US GAAP financial measure.

	Three-month period ended	
	2025	March 31, 2024
<i>(in thousands of U.S. dollars, except for fleet operational data and daily measures)</i>		
Fleet operational data		
Ownership Days	180.0	91.0
Available Days	180.0	91.0
Operating Days	180.0	91.0
Vessel Utilization	100.0%	100.0%
Average Number of Vessels	2.0	1.0
Non-GAAP financial measures		
EBITDA	\$ (656)	\$ 665
Daily TCE	8,056	14,297
Daily OPEX	5,156	5,407

Furthermore, the minimum contracted revenue expected to be recognized on the non-cancellable time charters of our vessels as of March 31, 2025, is estimated to \$4.1 million.

Non-GAAP Financial Measures Reconciliation to GAAP

The following table reconciles each non-GAAP financial measure to the most directly comparable US GAAP financial measure:

(in thousands of U.S. dollars, except for fleet operational data and daily measures)	Three-month period ended	
	March 31,	
	2025	2024
TCE and Daily TCE:		
Revenue, net	\$ 1,525	\$ 1,360
Less: Voyage expenses	(75)	(59)
TCE	\$ 1,450	\$ 1,301
Divided by: Operating Days	180.0	91.0
Daily TCE	\$ 8,056	\$ 14,297
Daily OPEX:		
Vessel operating expenses	\$ 928	\$ 492
Divided by: Ownership Days	180.0	91.0
Daily OPEX	\$ 5,156	\$ 5,407
EBITDA:		
Net (loss)/income	\$ (2,977)	\$ 430
Plus: Depreciation expense	572	169
Plus: Amortization of deferred drydocking costs	129	89
Plus: Interest and finance costs	1,654	1
Less: Interest income	(34)	(24)
EBITDA	\$ (656)	\$ 665

Results of Operations for the Three-month periods ended March 31, 2025 and 2024

The following table summarizes our results of operations for the three-month periods ended March 31, 2025 and 2024:

(in thousands of U.S. dollars)	Three-month period ended March 31,	
	2025	2024
Revenue, net	\$ 1,525	\$ 1,360
Voyage expenses, net	(75)	(59)
Vessel operating expenses	(928)	(492)
Management fees	(144)	(140)
General and administrative expenses	(490)	(5)
Depreciation expense	(572)	(169)
Amortization of deferred drydocking costs	(129)	(89)
Interest and finance costs	(1,654)	(1)
Interest income	34	24
Loss on warrants, net	(537)	—
Other costs, net	(7)	1
Net (Loss)/Income	\$ (2,977)	\$ 430

Revenue, net. Throughout the first three months of 2025 and 2024, Icon’s vessels operated under index-linked time charters. The increased revenue between these two periods is primarily due to the acquisition of M/V *Bravo* in September 2024, which led to a higher number of Operating Days during the first quarter of 2025. This was partly offset from the year-on-year decline in the dry bulk charter market rates. Overall, revenue, net increased by 12% reaching \$1.53 million, up from \$1.36 million in the comparable period.

Voyage expenses. The increase in voyage expenses, from \$0.06 million during the three-month period ended March 31, 2024, to \$0.08 million during the corresponding period of 2025, is attributable mainly to the overall increase in revenue in the relevant period of 2025 compared to 2024.

Vessel operating expenses. The increase in operating expenses from \$0.49 million in the first three months of 2024 to \$0.93 million during the corresponding period of 2025, was driven by the acquisition of M/V *Bravo* and corresponding increase in Ownership Days in 2025 compared to 2024.

Management fees. The management fees were maintained at a similar level between the three-month periods ended March 31, 2025 and 2024. Although management fees increased in parallel to the increase of Ownership Days, that increase was counterbalanced by the management fee payable to Pavimar S.A. due to the termination of that management agreement on January 18, 2024, pursuant to which, the management fee continued to be payable for a period of three months after the termination date to enable Pavimar S.A. to finalize all outstanding matters.

General and administrative expenses. The \$0.49 million increase in general and administrative expenses mainly reflects our incremental obligations as a public company since our initial public offering in July 2024. These expenses include stock exchange fees, regulatory and compliance costs, investor relations costs, and incremental director and officer liability insurance premiums.

Depreciation expense. Depreciation expense increased during the three-month period ended March 31, 2025, compared to the same period in 2024, due to the acquisition of M/V *Bravo* in September 2024.

Amortization of deferred drydocking costs. Amortization of deferred drydocking costs increased by \$0.04 million during the three-month period ended March 31, 2025, compared to the same period in 2024, mainly due to the new cost of the vessel’s most recent drydocking, which commenced in 2024, resulting in a higher quarterly amortization charge.

Interest and finance costs. The increase in interest and finance costs relates to the Maui Term Loan Facility (as defined below), pursuant to which, \$16.5 million was drawn on September 19, 2024, to finance part of the purchase price of the M/V *Bravo* and to leverage the M/V *Alfa*. In addition, interest and finance costs during the first three months of 2025 include issuance costs of \$1.3 million relating to the Company’s January 2025 Offering.

Loss on warrants, net. Loss on warrants, net, of \$0.54 million, reflects the loss recognized on initial measurement of the Class A Warrants, net of the gains recognized on subsequent remeasurements of such fair value upon each settlement date and as of March 31, 2025.

Recent Developments

Reverse stock split. On April 1, 2025, we effected a reverse stock split, whereby every forty of our issued and outstanding common shares were automatically converted into one, without any change in the par value per share or the total number of common shares we are authorized to issue (the “Reverse Stock Split”). 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 our market capitalization, or (iii) modify any voting rights or other terms of our common shares. Immediately before the Reverse Stock Split, we had 87,410,311 outstanding common shares, which were reduced to 2,185,230 common shares. Our shareholders approved and granted the Board the authority to implement one or more reverse stock splits within a range of split ratios, at our annual meeting of shareholders held on March 17, 2025.

Dividend to Common Shareholders. On April 22, 2025, our Board of Directors approved a cash dividend of \$0.07 per common share for the fourth quarter of 2024, which was paid on May 30, 2025, to all common shareholders of record as of May 16, 2025.

Fleet expansion. On March 21, 2025, we 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. On June 21, 2025, we took delivery of that vessel and renamed it M/V *Charlie*. Pursuant to that agreement, we paid \$2.75 million upon signing, an additional amount of \$2.75 million upon delivery, and we are committed to make hire payments at a daily rate of \$7,500 for a period of three years. At the end of that period, we have the option to purchase the vessel for \$18.0 million. We have declared our intention to exercise such option, subject to certain conditions. Upon delivery, the M/V *Charlie* was time chartered to 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, we will also receive part of the fuel cost savings to be realized by the charterer through the use of the vessel’s scrubber.

Dividend to holders of Series A Preferred Shares. On June 26, 2025, our Board of Directors declared a dividend on Series A Preferred Shares in the amount of \$2.2 million, which was paid in kind, by issuing 2,249 Series A Preferred Shares on June 30, 2025.

Liquidity and Capital Resources

Supply and demand dynamics, seasonality, and competition in the markets we operate, have historically caused increased volatility. We expect this to continue in the foreseeable future with a consequent effect on the trading performance of our vessels and, in turn, our short and long-term liquidity.

Our primary short-term liquidity needs are to fund general working capital requirements, vessel operating expenses, general and administrative expenses, and to service our debt. In addition, we have entered into a definitive agreement to bareboat charter-in a third vessel for a period of three years, pursuant to which we will need to honor our bareboat hire obligations. We anticipate that our primary sources of funds for our short-term liquidity needs will be cash on hand and from operations.

We expect our long-term liquidity needs to primarily relate to growing and renewing our fleet through vessel acquisitions, capital expenditures required to comply with international shipping standards and environmental laws and regulations, costs to maintain the class certification of our vessels by undergoing periodical drydockings and special surveys, and to service our debt. In addition, we have entered into a definitive agreement to bareboat charter-in a third vessel for a period of three years, with an option to eventually purchase it at the end of the charter period. Accordingly, we will need to serve our obligations under the bareboat charter, including the purchase option for which we have declared our intention to exercise, subject to certain conditions. We anticipate that our primary sources of funds for our long-term liquidity needs will be cash from operations, loan facilities, other financing arrangements and equity issuances.

We operate in a capital-intensive industry and in the future we may seek any combination of loan agreements, other financing arrangements and equity issuances, to raise capital and fund our operations and growth.

We believe that our working capital is sufficient to meet our requirements for the next twelve months, taking into account our projected cash flows from operations.

As of March 31, 2025 and 2024, we had cash, cash equivalents and restricted cash of \$8.2 million and \$3.3 million, respectively. Our cash flows from operating, investing and financing activities during the three-month periods ended March 31, 2025 and 2024, are summarized in the following table:

	Three-month period ended	
	March 31,	
	2025	2024
(in thousands of U.S. dollars)		
Cash (used in)/provided by operating activities	\$ (561)	\$ 704
Cash used in investing activities	(2,750)	—
Cash provided by/(used in) financing activities	10,082	(139)
Net increase in cash, cash equivalents and restricted cash	\$ 6,771	\$ 565
Cash, cash equivalents and restricted cash at the beginning of the period	1,446	2,702
Cash, cash equivalents and restricted cash at the end of the period	\$ 8,217	\$ 3,267
Reconciliation of cash, cash equivalents and restricted cash		
Cash and cash equivalents	\$ 7,717	\$ 3,267
Restricted cash	500	—
Cash, cash equivalents and restricted cash at the end of the period	\$ 8,217	\$ 3,267

Restricted cash consists of cash deposits earmarked for a specific purpose and cannot be used freely for general business operations. As of March 31, 2025, restricted cash consists of minimum cash deposits required to be maintained throughout the term of the Company’s loan agreement which can only be applied towards repayment of the final principal instalment pursuant to the terms and conditions of such loan agreement.

Cash of \$0.70 million provided by operating activities during the three-month period ended March 31, 2024, decreased to cash used in operating activities of \$0.56 million during the same period in 2025, mainly due to the decrease in net income (after taking into account the effects of non-cash loss on warrants, issuance costs, depreciation expense and amortization of deferred drydocking costs on such net income) between the same periods.

Cash used in investing activities during the three-month period ended March 31, 2025, relates to the advance payment in relation to the bareboat charter of the M/V *Charlie*. No cash was used in investing activities during the three-month period ended March 31, 2024.

Cash provided by financing activities during the three-month period ended March 31, 2025, relates to the net proceeds from the Company’s January 2025 Offering, counterbalanced by principal repayments of long-term debt. Cash used in financing activities during the three-month period ended March 31, 2024, relates to payments of issuance costs in connection with the Company’s initial public offering in July 2024.

Our Borrowing Activities

Maui Term Loan Facility. On September 16, 2024, we entered into a new term loan facility with a leading international financial institution for up to \$91.5 million, consisting of a committed portion of up to \$16.5 million and an uncommitted upside option of up to another \$75 million (the “Maui Term Loan Facility”). On September 19, 2024, we borrowed the \$16.5 million committed portion in full, to finance part of the purchase price of the M/V *Bravo* and to leverage the M/V *Alfa*. This borrowed portion of the Maui Term Loan Facility bears interest at SOFR plus a margin of 3.95% per annum, has a term of four years, and is repayable in quarterly installments, with a balloon payment due at maturity in December 2028. As of March 31, 2025, we were in compliance with the applicable financial covenants under the Maui Term Loan Facility and the outstanding balance was \$15.5 million. The Maui Term Loan Facility has the following characteristics:

- **Security.** The borrowed portion is secured by, among other things, (i) a first priority mortgage on the M/V *Alfa* and the M/V *Bravo*, (ii) an assignment of their earnings and insurances, (iii) a pledge of the earnings accounts of the mortgaged vessels, and (iv) a pledge of the equity interests of each of the subsidiaries owning the mortgaged vessels.
- **Restrictive Covenants.** The Maui Term Loan Facility contains certain undertakings that may limit or restrict our ability to (i) incur additional indebtedness, (ii) make any substantial change to the nature of our business, (iii) pay dividends, (iv) sell the mortgaged vessels or change their management, and (v) effect a change of control of us, enter into any amalgamation, demerger, merger, consolidation or corporate reconstruction or joint venture arrangement.
- **Financial Covenants.** The Maui Term Loan Facility contains certain financial covenants, requiring us to maintain (i) minimum restricted cash deposits of \$250,000 per mortgaged vessel, and (ii) a minimum ‘loan to mortgaged vessels value’ ratio of 65%.
- **Upsize option.** The uncommitted upside option of up to another \$75.0 million may be made available to us under the Maui Term Loan Facility, in whole or in parts, to finance future vessel acquisitions. This portion of the Maui Term Loan Facility remains free of interest or other fees, and we are 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.

Quantitative and Qualitative Disclosures about Market Risk

Interest Rate Risk. Our borrowings under the Maui Term Loan Facility bear interest at SOFR plus a margin, and we are therefore exposed to market risks associated with changes in interest rates. Increases in interest rates could materially affect our operating results and ability to service our debt. As of March 31, 2025, we had total borrowings of \$15.5 million bearing interest based on SOFR and had not entered into any hedging contracts or taken other actions to protect against interest rate fluctuations. We expect to continue having outstanding borrowings under the Maui Term Loan Facility until its maturity in December 2028, and under any future loan agreements or other financing arrangements we may enter into and, therefore, we expect to continue to be exposed to market risks associated with changes in interest rates. As a quantitative indication of our exposure to interest rate fluctuations, we estimate that a 100 basis points increase in SOFR, would have resulted in an increase of \$0.01 million in interest and finance costs during the three month period ended March 31, 2025.

Foreign Currency Exchange Rate Risk. Our transactions are denominated primarily in U.S. dollars. Transactions incurred in other currencies are translated into U.S. dollars 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 U.S. dollars to reflect the end-of-period exchange rates. For the three month period ended March 31, 2025, balances in foreign currency other than U.S. dollars were not considered significant. However, the portion of our business conducted in other currencies could increase in the future, which could expand our exposure to losses arising from exchange rate fluctuations. We have not hedged currency exchange risks associated with our expenses.

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.