

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

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

For the fiscal year ended December 31, 2025

OR

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

Commission File Number: 001-36798

PANGAEA LOGISTICS SOLUTIONS, LTD.
(Exact Name of Registrant as Specified in Its Charter)

Bermuda

(State or Other Jurisdiction of Incorporation or Organization)

98-1205464

(I.R.S. Employer Identification Number)

c/o Phoenix Bulk Carriers (US) LLC
109 Long Wharf, Newport, RI 02840

(Address of Principal Executive Offices)

(401) 846-7790

(Registrant's Telephone Number, Including Area Code)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Shares, \$0.0001 par value	PANL	The Nasdaq Stock Market LLC

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

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Exchange Act. Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act of 1934 during the past 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirement for the past 90 days.
Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

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

Large accelerated Filer	<input type="checkbox"/>	Accelerated Filer	<input checked="" type="checkbox"/>
Non-accelerated Filer	<input type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. Yes No

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

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

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

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

The aggregate market value of the registrant's Common Stock held by non-affiliates at June 30, 2025 was approximately \$139.69 million based on the Nasdaq closing price for such shares on that date. The registrant has no non-voting common equity.

As of March 13, 2026, 65,318,647 shares of Common Shares, \$0.0001 par value per share were outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Registrant's definitive proxy statement for its 2026 annual meeting of shareholders to be filed with the Securities and Exchange Commission, or the SEC, pursuant to Regulation 14A within 120 days after the end of the Registrant's last fiscal year is incorporated by reference into Part III of this Annual Report on Form 10-K.

TABLE OF CONTENTS

PART I		<u>5</u>
ITEM 1.	<u>BUSINESS</u>	<u>5</u>
ITEM 1A.	<u>RISK FACTORS</u>	<u>35</u>
ITEM 1B.	<u>UNRESOLVED STAFF COMMENTS</u>	<u>61</u>
ITEM 1C.	<u>CYBERSECURITY</u>	<u>61</u>
ITEM 2.	<u>PROPERTIES</u>	<u>62</u>
ITEM 3.	<u>LEGAL PROCEEDINGS</u>	<u>62</u>
ITEM 4.	<u>MINE SAFETY DISCLOSURES</u>	<u>62</u>
PART II		<u>63</u>
ITEM 5.	<u>MARKET FOR REGISTRANT’S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES</u>	<u>63</u>
ITEM 6.	<u>SELECTED FINANCIAL DATA</u>	<u>64</u>
ITEM 7.	<u>MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS</u>	<u>65</u>
ITEM 7A.	<u>QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK</u>	<u>75</u>
ITEM 8.	<u>FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA</u>	<u>75</u>
ITEM 9.	<u>CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE</u>	<u>76</u>
ITEM 9A.	<u>CONTROLS AND PROCEDURES</u>	<u>76</u>
ITEM 9B.	<u>OTHER INFORMATION</u>	<u>78</u>
ITEM 9C.	<u>ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS.</u>	<u>79</u>
PART III		<u>80</u>
ITEM 10.	<u>DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE</u>	<u>80</u>
ITEM 11.	<u>EXECUTIVE COMPENSATION</u>	<u>80</u>
ITEM 12.	<u>SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS</u>	<u>81</u>
ITEM 13.	<u>CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE</u>	<u>81</u>
ITEM 14.	<u>PRINCIPAL ACCOUNTANT FEES AND SERVICES</u>	<u>81</u>
PART IV		
ITEM 15.	<u>EXHIBITS AND FINANCIAL STATEMENT SCHEDULES</u>	<u>84</u>
ITEM 16.	<u>FORM 10-K SUMMARY</u>	<u>85</u>

In this Annual Report on Form 10-K (this "Form 10-K"), references to "the Company," "we," "us" and "our" refer to Pangaea Logistics Solutions Ltd and its subsidiaries.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

Our disclosure and analysis in this Annual Report on Form 10-K pertaining to our operations, cash flows and financial position, including, in particular, the likelihood of our success in developing and expanding our business, include forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Statements that are predictive in nature, that depend upon or refer to future events or conditions, or that include words such as "expects," "anticipates," "intends," "plans," "believes," "estimates," "projects," "forecasts," "may," "should" and similar expressions are forward-looking statements.

All statements in this Form 10-K that are not statements of either historical or current facts are forward-looking statements. Forward-looking statements include, but are not limited to, such matters as:

- our future operating or financial results;
- our ability to charter-in vessels and to enter into COAs ("Contract of Affreightment"), voyage charters, time charters and forward freight agreements, and the performance of our counterparties in such contracts;
- our financial condition and liquidity, including our ability to obtain financing in the future to fund capital expenditures, acquisitions and other general corporate activities;
- our expectations of the availability of vessels to purchase, the time it may take to construct new vessels, and vessels' useful lives;
- competition in the drybulk shipping industry;
- our business strategy and expected capital spending or operating expenses, including drydocking and insurance costs and the ability to expand our presence in logistics trades and custom supply chain management;
- global and regional economic and political conditions and sanctions, including war and piracy; and
- statements about shipping market trends, including charter rates and factors affecting supply and demand.

Many of these statements are based on our assumptions about factors that are beyond our ability to control or predict and are subject to risks and uncertainties that are described more fully under the "Risk Factors" section of this Form 10-K. Any of these factors or a combination of these factors could materially affect our future results of operations and the ultimate accuracy of the forward-looking statements. Factors that might cause future results to differ include, but are not limited to, the following:

- changes in governmental rules and regulations or actions taken by regulatory authorities;
- cybersecurity threats, including the potential misappropriation of assets or sensitive information, corruption of data or operational disruption;
- changes in economic and competitive conditions affecting our business, including market fluctuations in charter rates and charterers' abilities to perform under existing time charters;
- potential liability from future litigation and potential costs due to environmental damage and vessel collisions;
- the impact of sanctions on movement of commodities and demand for supply of drybulk vessels;
- the length and number of off-hire periods; and
- other factors discussed under the "Risk Factors" section of this Form 10-K.

You should not place undue reliance on forward-looking statements contained in this Annual Report on Form 10-K because they are statements about events that are not certain to occur as described or at all. All forward-looking statements in this Form 10-K are qualified in their entirety by the cautionary statements contained in this Form 10-K. These forward-looking statements are not guarantees of our future performance, and actual results and future developments may vary materially from those projected in the forward-looking statements.

Except to the extent required by applicable law or regulation, we undertake no obligation to release publicly any revisions to these forward-looking statements to reflect events or circumstances after the date of this Form 10-K or to reflect the occurrence of unanticipated events.

PART I.

ITEM 1. BUSINESS

Introduction

Pangaea Logistics Solutions Ltd. and its subsidiaries collectively, Pangaea or the Company, provide seaborne drybulk logistics and transportation services as well as terminal and stevedoring services. Pangaea utilizes its logistics expertise to service a broad base of industrial customers who require the transportation of a wide variety of drybulk cargoes, including grains, coal, iron ore, pig iron, hot briquetted iron, bauxite, alumina, cement clinker, dolomite and limestone. The Company addresses the logistics needs of its customers by undertaking a comprehensive set of services and activities, including cargo loading, cargo discharge, port and terminal operations, vessel chartering, voyage planning, and vessel technical management.

Available Information

Our Internet website address is www.pangaeals.com. We make available free of charge on or through our website our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as soon as reasonably practicable after such material is electronically filed with, or furnished to, the Securities and Exchange Commission. The information contained on, or accessible through, our website is not incorporated by reference into this Annual Report on Form 10-K.

Business Overview and Recent Developments

The Company provides ocean transportation services utilizing a fleet of ocean-going motor vessels (“m/v”) in the Handymax, Supramax, Ultramax, Panamax and Post-Panamax segments. The fleet typically consists of 60 to 75 vessels, either owned or chartered-in on a short-term basis. As of December 31, 2025, the Company owned 39 vessels, wholly owned or partially owned through joint ventures. The Company transported approximately 26.2 million tons of cargo annually to over 300 ports worldwide, averaging approximately 64 vessels in service per day during 2025, compared to 48 vessels during 2024.

The Company’s port, projects, and logistics services include cargo loading, cargo discharge, and port and terminal services to vessel and cargo owners. Our logistics capabilities provide a wide array of services which allow our customers to extend their own services, to more efficiently transport their cargo, and to extend relationships with their own suppliers and customers. For some customers, the Company acts as their ocean logistics department, providing scheduling, terminal operations, port services, and marketing functions. The Company has worked with other customers on design, construction, and operation of loading and discharge facilities.

In addition, the Company focuses on fixing cargo and cargo contracts for transportation on backhaul routes. Backhaul routes position vessels for cargo discharge in typical loading areas. Backhaul routes allow us to reduce ballast days and instead earn revenues at times and on routes that are typically traveled without paying cargo.

The Company is a leader in the high ice class sector, supported by its operation of the world's largest fleet of dry bulk vessels over 60,000 dwt with Ice-Class 1A designation. High ice class trading includes service in ice-restricted areas in the Northern Hemisphere during both the winter (Baltic Sea and Gulf of St. Lawrence) and summer (Arctic Ocean). Trading during the ice seasons have historically provided superior profit margins, rewarding the Company for its investment in the specialized ships and the expertise it has developed working in these harsh environments.

The Company derives substantially all of its revenue from contracts of affreightment, “COAs”, voyage charters, and time charters. The Company transports a wide range of fundamental global commodities including grains, coal, iron ore, pig iron, hot briquetted iron, bauxite, alumina, cement clinker, dolomite, limestone, and other minor bulk cargo.

The Company’s COAs typically extend for a period of one to five years, although some extend for longer periods. A voyage charter is a contract for the carriage of a specific amount and type of cargo on a load port to discharge port basis, subject to various cargo handling terms. COAs and voyage charters provide voyage revenue to the Company. A time charter is a contract under which the Company is paid to provide a vessel on a per day basis for a specified period of time. Time charters provide charter revenues to the Company.

Active risk management is an important part of our business model. The Company believes its active risk management allows it to reduce the sensitivity of its revenues to market fluctuations and helps it to secure its long-term profitability and lower relative volatility of earnings. We manage market risk by chartering in vessels for periods of less than nine months on average and through a portfolio approach based upon owned vessels, chartered-in vessels, COAs, voyage charters, and time charters. The Company tries to identify routes and ports for efficient bunkering to minimize its fuel expense. The Company also seeks to hedge a portion of its exposure to changes in the price of marine fuels, or bunkers, through fuel swaps; and to fluctuating future freight rates through forward freight agreements. The Company has also entered into interest rate agreements to fix a portion of our interest rate exposure.

The Company employs the technical management services of Seamar Management S.A. which is wholly owned by the Company, and Bernard Schulte Ship Management, a third party, for its ice class 1A fleet and M.T.M Ship Management, a related party, for its Handysize fleet. The Company is in the process of transferring its ice class 1A fleet to Seamar Management S.A., following which the Company will employ the technical management services of Seamar Management S.A. and M.T.M Ship Management.

Business Strategy

The Company’s principal business objectives are to profitably grow its business and increase shareholder value. The Company expects to achieve these objectives through the following strategies:

- ***Focus on increasing strategic COAs.*** COA is an agreement providing for the transportation between specified points for a specific quantity of cargo over a specific time period but without designating specific vessels or voyage schedules, thereby allowing flexibility in scheduling since no vessel designation is required. COAs can either have a fixed rate or a market-related rate. The Company intends to increase our COA business, in particular, COAs for cargo discharge in traditional loading areas (backhaul), by leveraging its relationships with existing customers and attracting new customers. The Company believes that its dedication to solving its customer’s logistics problems, and its reputation and experience in carrying a wide range of cargoes and transiting less common routes and ports, increases its likelihood of securing strategic COAs. COA’s provide a consistent cargo base and revenue for our transportation services, around which we attempt to structure other logistics offerings.
- ***Expand capacity and flexibility by renewing its owned fleet.*** The Company is continually looking to acquire additional high-quality vessels suited for its business strategy, the needs of its customers and growth opportunities the Company identifies. The Company believes that its experience as a reliable and serious counterparty in the sale and purchase market for second-hand vessels positions it as a candidate for acquisition of high quality vessels. The Company currently controls (owns or has an ownership interest in) a fleet of 39 bulk carriers as of March 16, 2026. The current fleet includes six Ice-Class 1A Panamax, four Post Panamax Ice Class 1A, three Panamax, two Ultramax Ice Class 1C, two Ultramax, eight Supramax drybulk vessels and fourteen Handysize vessels.
- ***Increase backhaul focus, expand and defend its presence in the niche ice trades and increase fleet efficiency.*** The Company continues to focus on backhaul cargoes, including backhaul cargoes associated with COAs, to reduce ballast days and increase expected earnings for well-positioned vessels. In addition, the Company intends to continue to charter in vessels for periods of less than nine months, on average, to permit it to match its variable costs to demand. The Company believes that increased vessel utilization and positioning efficiency will enhance its profitability. The Company demonstrated its commitment to remain the leader in high ice class large bulk carriers by taking delivery of its four newbuilding Post Panamax Ice Class vessels in 2021.

- ***Focus on customized and complete logistics solutions within targeted dry bulk trades.*** The Company intends to leverage its experience in designing custom loading and discharging systems in critical ports and optimizing vessel operations in ports to provide complete logistics solutions to its clients. The Company continues to look for opportunities to transport cargo for clients from, or to, rarely used or underdeveloped port facilities to expand its operations. The Company believes this operational expertise and complete logistics solutions will enhance the services offered, strengthen our client relationships and generate increased operating margins for the Company.

Competitive Strengths

The Company believes that it possesses a number of competitive strengths in its industry, including:

- ***Expertise in certain niche markets and routes.*** The Company has developed expertise and a major presence in selected niche markets and less commoditized routes, especially the Baltic Sea in winter, ice laden northern Atlantic ports in the summer, and the trade route between Jamaica and the United States, as well as selected ports, particularly in Newfoundland and Baffin Island. The Company believes that there is less competition to carry “minor,” as compared to traditional “major,” bulk cargoes, and, similarly, that there is less competition on less commoditized routes. The Company believes that its experience in carrying a wide range of cargoes and transiting less common routes and ports increases its likelihood of securing higher rates and margins than those available for more commoditized cargoes and routes. The Company believes it operates assets well suited to certain of these routes, including its Ice-Class 1A Panamax, Post Panamax Ice Class 1A and Ice-Class 1C Ultramax vessels. The ice-class fleet has historically produced margins that are superior to the average market rate.
- ***Enhanced vessel utilization and profitability through strategic backhaul and triangulation methods.*** The Company enhances vessel utilization and profitability through selecting COAs and other contracts to carry cargo on what would normally be backhaul or ballast legs. In contrast to the typical practice of incurring charter hire and bunker costs to position an empty vessel in a port or area where cargo is normally loaded, the Company instead actively works with its customers to secure cargoes for discharge in traditional loading areas (backhaul). This practice allows the Company to position vessels for loading at lower costs than it would bear if it positioned such vessels by traveling unladen or if the Company chartered in vessels in a loading area. The Company believes that this focus on backhaul cargoes permits them to benefit from ballast bonuses that are paid to position vessels for fronthaul cargoes or, alternatively, to earn a premium for delivering ships that are in position for fronthaul cargoes.
- ***Strong relationships with major industrial customers.*** The Company has developed strong commercial relationships with a number of major industrial customers. These customer relationships are based upon the Company’s reputation and specific history of service to these customers. The Company believes that these relationships help it generate recurring business with such customers which, in some cases, are formalized through contracts for repeat business (COAs). The Company also believes that these relationships can help create new opportunities. Although many of these relationships have extended over a period of years, there is no assurance that such relationships or business will continue in the future. The Company believes that its familiarity with local regulations and market conditions at its routinely serviced ports, particularly in Newfoundland, Baffin Island and Jamaica, provides it with a strong competitive advantage and allows it to attract new customers and secure recurring business.
- ***Logistics approach to commodity business.*** The Company seeks employment for its vessels in a way that utilizes its expertise in enhancing productivity of clients' supply chains. The Company focuses on movements of cargo beyond loading and discharge berths and looks for opportunities to add value in clients' supply chains. The Company believes its additional efforts in providing complete logistics provides a competitive advantage and allows it to maintain strong client relationships and generate increased operating margins for the Company.
- ***Experienced management team.*** The day-to-day operations of a logistics and transportation services company requires close coordination among customers, land-based transportation providers and port authorities around the world. Its efficient operation depends on the experience and expertise of management at all levels, from vessel acquisition and financing strategy to oversight of vessel technical operations and cargo loading and discharge. The Company has a management team of senior executive officers and key employees with extensive experience and relationships in the commercial, technical, and financial areas of the drybulk shipping industry.

- ***Strong Alignment and Transparency.*** The Company observes that many publicly traded shipping companies rely on service providers affiliated with senior management or dominant shareholders for fundamental activities. Beyond the operational benefits to its customers of integrated commercial and technical management, the Company believes that its shareholders benefit by its strategy of performing many of those activities in-house. Related to these efforts to maximize alignment of interest, the Company believes that the associated transparency of ownership and authority will be attractive to current and prospective shareholders.
- ***Risk-management discipline.*** The Company believes its risk management strategy allows it to reduce the sensitivity of its earnings to market changes and lower the risk of losses. The Company manages its risks primarily through short-term charter-in agreements of less than nine months, on average, through the use of forward freight agreements ("FFAs") and fuel hedges, and through modest leverage. The Company believes that shorter-term charters permit it to adjust its variable costs to match demand more rapidly than if it chartered in those vessels for longer periods. The Company may choose to manage the risks of higher rates for certain future voyages by purchasing and selling FFAs to limit the impact of changes in chartering rates. Similarly, the Company may choose to manage the risks of increasing fuel costs through bunker hedging transactions in order to limit the impact of changes in fuel prices on voyage results.

Management

The Company's management team consists of senior executive officers and key employees with decades of experience in the commercial, technical, management and financial areas of the logistics and shipping industries. The Company's Chief Executive Officer, Mads Boye Petersen, has over 20 years of experience in the shipping industry. Other members of its management team, Gianni Del Signore and Daniel Schildt, also have extensive experience in the shipping industry. The Company believes its management team and key employees are well respected in the drybulk sector of the shipping industry and, over the years, has developed strong commercial relationships with industrial customers and lenders. The Company believes that the experience, reputation and background of its management team will continue to be key factors in its success.

The Company provides logistics services and commercially manages its fleet primarily from offices in Newport, Rhode Island, Copenhagen, Denmark, Southport, Connecticut, and Singapore. Logistics services and commercial management include identifying cargo for transportation, voyage planning, managing relationships, identifying vessels to charter in, and operating such vessels.

The technical management of the Company's vessels is performed primarily in-house by Seamar Management, S.A which is wholly owned by the Company. In addition the Company employs the technical management services of Bernard Schulte Ship Management, a third party, for its ice class 1A fleet and M.T.M Ship Management, a related party, for its Handysize fleet. The Company is in the process of transferring its ice class 1A fleet to Seamar Management S.A.. The Company's technical management personnel have extensive experience in oceangoing vessel operations, including the supervision of maintenance, repairs, improvements, drydocking and crewing. The technical management of the Company's chartered-in vessels is performed by the respective third-party shipowners.

Operations and Assets

The Company is a service business and our customers use the services we provide because they believe the Company adds and creates value for them. To add value, the Company offers a wide range of logistics services beyond the traditional loading, carriage and discharge of cargoes. The Company works with certain customers to review their contractual delivery terms and conditions, permitting those customers to reduce costs and certain risks. Another example of value-added services is the formation of a new port in Newfoundland, Canada to load aggregate cargo for export and a temporary port used in Greenland to load the northernmost dry bulk cargo ever carried. As a result of efforts such as these, in some cases the Company is the de facto logistics department for certain clients.

The Company's core offering is the safe, reliable, and timely loading, carriage, and discharge of cargoes for customers. This offering requires identifying customers, agreeing on the terms of service, selecting a vessel to undertake the voyage, working with port personnel to load and discharge cargo, and documenting the transfers of title upon loading or discharge of the cargo. As a result, the Company spends significant time and resources to identify and retain customers and source potential cargoes in its areas of operation. To further expand its customer base and potential cargoes, the Company has developed expertise in servicing ports and routes subject to severe ice conditions.

As of March 16, 2026, the Company operates its fleet of 39 owned or partially owned vessels, which are described in the table below:

Vessel Name	Type	DWT	Year Built	Yard
<i>m/v Bulk Endurance</i>	Ultramax (Ice Class 1C)	59,450	2017	Oshima Shipbuilding
<i>m/v Bulk Destiny</i>	Ultramax (Ice Class 1C)	59,450	2017	Oshima Shipbuilding
<i>m/v Nordic Oasis</i>	Panamax (Ice Class 1A)	76,180	2016	Oshima Shipbuilding
<i>m/v Nordic Olympic</i>	Panamax (Ice Class 1A)	76,180	2015	Oshima Shipbuilding
<i>m/v Nordic Odin</i>	Panamax (Ice Class 1A)	76,180	2015	Oshima Shipbuilding
<i>m/v Nordic Oshima</i>	Panamax (Ice Class 1A)	76,180	2014	Oshima Shipbuilding
<i>m/v Nordic Orion</i>	Panamax (Ice Class 1A)	75,603	2011	Oshima Shipbuilding
<i>m/v Nordic Odyssey</i>	Panamax (Ice Class 1A)	75,603	2010	Oshima Shipbuilding
<i>m/v Bulk Valor</i>	Supramax	58,105	2013	Tsuneishi Heavy Industries (Cebu)
<i>m/v Bulk Friendship</i>	Supramax	58,738	2011	Nantong Cosco Kawasaki HI
<i>m/v Bulk Brenton</i>	Supramax	57,676	2016	Tsuneishi (Cebu)
<i>m/v Bulk Patience</i>	Supramax	57,676	2016	Tsuneishi (Cebu)
<i>m/v Bulk Sachuest</i>	Supramax	55,618	2010	Hyundai Vinashin
<i>m/v Bulk Spirit</i>	Supramax	52,950	2009	Oshima Shipbuilding
<i>m/v Bulk Independence</i>	Supramax	56,548	2008	Yokohama
<i>m/v Bulk Pride</i>	Supramax	58,749	2008	Tsuneishi Group (Zhoushan) Shipbuilding Inc.
<i>m/v Bulk Prudence</i>	Ultramax	61,330	2014	Imabari Shipbuilding
<i>m/v Bulk Courageous</i>	Ultramax	61,393	2013	Imabari Shipbuilding Company Limited (Imabari)
<i>m/v Bulk Promise</i>	Panamax	78,228	2013	Shin Kurushima Toyohashi Shipbuilding Company Limited
<i>m/v Bulk Concord</i>	Panamax	76,600	2009	Shin Kasado Dockyard Co. Ltd
<i>m/v Bulk Xaymaca</i>	Panamax	76,561	2006	Imabari SB Marugame
<i>m/v Nordic Nuluujaak</i>	Post Panamax (Ice Class 1A)	95,000	2021	Guangzhou Shipyard International Company Limited
<i>m/v Nordic Qinnhua</i>	Post Panamax (Ice Class 1A)	95,000	2021	Guangzhou Shipyard International Company Limited
<i>m/v Nordic Sanngijuq</i>	Post Panamax (Ice Class 1A)	95,000	2021	Guangzhou Shipyard International Company Limited
<i>m/v Nordic Siku</i>	Post Panamax (Ice Class 1A)	95,000	2021	Guangzhou Shipyard International Company Limited
<i>m/v Strategic Fortitude</i>	Handysize	37,829	2016	Imabari Shipyard, Japan
<i>m/v Strategic Resolve</i>	Handysize	38,872	2015	CSIC: Shanhaiguan Shipyard, China
<i>m/v Strategic Explorer</i>	Handysize	39,879	2015	CSIC: Tianjin Xingang SB, China
<i>m/v Strategic Entity</i>	Handysize	39,880	2015	CSIC: Tianjin Xingang SB, China
<i>m/v Strategic Synergy</i>	Handysize	39,865	2014	CSIC: Tianjin Xingang SB, China
<i>m/v Strategic Alliance</i>	Handysize	39,848	2014	CSIC: Tianjin Xingang SB, China
<i>m/v Strategic Unity</i>	Handysize	39,820	2014	CSIC: Tianjin Xingang SB, China
<i>m/v Strategic Harmony</i>	Handysize	39,879	2014	CSIC: Tianjin Xingang SB, China
<i>m/v Strategic Equity</i>	Handysize	39,839	2014	CSIC: Tianjin Xingang SB, China
<i>m/v Strategic Venture</i>	Handysize	39,784	2014	CSIC: Tianjin Xingang SB, China
<i>m/v Strategic Savannah</i>	Handysize	35,542	2013	Taizhou Maple Leaf, China
<i>m/v Strategic Spirit</i>	Handysize	37,190	2012	Hyundai Mipo, Korea
<i>m/v Strategic Vision</i>	Handysize	37,186	2012	Hyundai Mipo, Korea
<i>m/v Strategic Tenacity</i>	Handysize	36,851	2012	Hyundai Vinashin, Vietnam

The Company owns its vessels through separate wholly-owned subsidiaries and through joint venture entities with other owners, which the Company consolidates as variable interest entities in its consolidated financial statements.

The Company operates a variety of chartered-in drybulk carriers in addition to its owned vessels. These chartered-in vessels, including Panamax, Supramax, Ultramax, Handymax, and Handysize vessels, play a significant role in the Company's operations. The Company employed an average of 64 vessels at any one time during 2025 and 48 in 2024. In 2025, the Company owned interests in 41 vessels and chartered in another 245 for one or more voyages. In 2024, the Company owned interests in 41 vessels and chartered in another 216 for one or more voyages. The Company generally charters in third-party vessels for periods of less than nine months and, in most cases, less than six months. Chartered-in contracts are negotiated through third-party brokers, who are paid commission on a percentage of charter cost. The Company believes that shorter-term charters afford it flexibility to match its variable costs to its customers' service requirements and to respond quickly to market volatility. The Company also believes that this combination of owned and chartered-in vessels helps it to more efficiently match its customer demand than the Company could with only owned vessels or an entirely chartered-in fleet.

Engagement of New Independent Registered Public Accounting Firm

On August 27, 2025, the Audit Committee approved the engagement of Deloitte & Touche LLP as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2025.

Executive Officer and Board Appointments

Pursuant to a certain Cooperation Agreement between the Company and SSI dated November 26, 2025, the Board of Directors of the Company increased the size of the Board of Directors from nine to ten directors and appointed Mr. Leand to the Board as a Class III director to fill the vacancy created by such increase.

On December 18, 2025, effective upon Christina Tan's resignation, the Board appointed Eugene I. Davis to the Board as a Class II director pursuant to the Investor and Registration Rights Agreement dated as of December 30, 2024, by and between the Company and Strategic Shipping Inc.

On January 1, 2026, Mads Petersen was appointed to succeed Mr. Filanowski as President, Chief Executive Officer and Director of the Company.

Corporate Structure

The Company is a holding company incorporated under the laws of Bermuda as an exempted company on April 29, 2014. The Company's principal executives operate from the offices of its wholly-owned subsidiary Phoenix Bulk Carriers (US) LLC, which is located at 109 Long Wharf, Newport, Rhode Island 02840. The phone number at that address is (401) 846-7790. The Company also has offices in Copenhagen, Denmark, Athens, Greece and Singapore. The Company's corporate website address is <http://www.pangaeals.com>.

As of March 16, 2026, the Company's significant subsidiaries are as follows:

Subsidiary	Jurisdiction of Incorporation	Proportion of Ownership Interest	Footnote
Americas Bulk Transport (BVI) Limited	British Virgin Islands	100%	(A)
Phoenix Bulk Management Bermuda Limited	Bermuda	100%	(B)
Pangaea Logistics Solutions (BVI) Limited ("Pangaea BVI")	British Virgin Islands	100%	(C)
Bulk Ocean Shipping Company (Bermuda) Ltd.	Bermuda	100%	(D)
Phoenix Bulk Carriers (US) LLC ("PBC")	Delaware	100%	(E)
Allseas Logistics Bermuda Ltd.	Bermuda	100%	(F)
Pangaea Logistics Solutions Denmark A/S. ("Pangaea Denmark")	Denmark	100%	(H)
Nordic Bulk Ventures (Cyprus) Limited ("NBV")	Cyprus	100%	(H)
109 Long Wharf LLC ("Long Wharf")	Delaware	100%	(I)
Bulk Nordic Oshima (MI) Corp. ("Bulk Oshima")	Marshall Islands	67%	(J)
Bulk Nordic Odin (MI) Corp. ("Bulk Odin")	Marshall Islands	67%	(J)
Bulk Nordic Olympic (MI) Corp. ("Bulk Olympic")	Marshall Islands	67%	(J)
Bulk Nordic Oasis (MI) Corp.. ("Bulk Oasis")	Marshall Islands	67%	(J)
Bulk Nordic Odyssey Corp. (MI) ("Bulk Odyssey")	Marshall Islands	67%	(J)
Bulk Nordic Orion Corp. (MI) ("Bulk Orion")	Marshall Islands	67%	(J)
Nordic Bulk Holding Company Ltd. ("NBHC")	Bermuda	67%	(L)
Bulk Courageous Corp. ("Bulk Courageous")	Marshall Islands	100%	(G)
Bulk Phoenix Ltd. ("Bulk Newport")	Bermuda	100%	(G)
Bulk Valor Corp. ("Bulk Valor")	Marshall Islands	100%	(G)
Bulk Promise Corp. ("Bulk Promise")	Marshall Islands	100%	(G)
Bulk Nordic Five Ltd. ("Five")	Bermuda	100%	(G)
Bulk Nordic Seven LLC ("Seven")	Marshall Islands	100%	(G)
Bulk Nordic Eight LLC ("Eight")	Marshall Islands	100%	(G)
Bulk Nordic Nine LLC ("Nine")	Marshall Islands	100%	(G)
Bulk Nordic Ten LLC ("Ten")	Marshall Islands	100%	(G)
Nordic Bulk Partners LLC ("NBP")	Marshall Islands	100%	(M)
Nordic Bulk Ventures Holding Company Ltd. ("BVH")	Bermuda	100%	(K)

Subsidiary	Jurisdiction of Incorporation	Proportion of Ownership Interest	Footnote
Bulk Freedom Corp. ("Bulk Freedom")	Marshall Islands	100%	(G)
Bulk Pride Corp. ("Bulk Pride")	Marshall Islands	100%	(G)
Bulk Independence Corp. ("Bulk Independence")	Marshall Islands	100%	(G)
Bulk Friendship Corp. ("Bulk Friendship")	Marshall Islands	100%	(G)
Phoenix Bulk 25 Corp. ("Phoenix Bulk 25")	Marshall Islands	100%	(G)
Bulk Endurance (MI) Corp. ("Bulk Endurance")	Marshall Islands	100%	(G)
Bulk Brenton (MI) Corp. ("Bulk Brenton")	Marshall Islands	100%	(G)
Bulk Patience (MI) Corp. ("Bulk Patience")	Marshall Islands	100%	(G)
Bulk Sachuest Corp. ("Bulk Sachuest")	Marshall Islands	100%	(G)
Bulk Prudence Corp. ("Bulk Prudence")	Marshall Islands	100%	(G)
Venture Logistics NL Inc. ("VLNL")	Canada	50%	(N)
Flintstone Ventures Limited ("FVL")	Newfoundland and Labrador	100%	(O)
Seamar Management S.A.	Greece	100%	(P)
Bulk PODS Ltd. ("Bulk PODS")	Marshall Islands	100%	(G)
Bulk Spirit Ltd. ("Bulk Spirit")	Marshall Islands	100%	(G)
Pangaea Logistics Solutions Singapore Pte. Ltd.	Singapore	100%	(H)
Narragansett Bulk Carriers (US) Corp.	Rhode Island	100%	(H)
Bay Stevedoring LLC	Delaware	100%	(Q)
Pangaea Logistics Solutions (US) LLC ("PANL US")	Delaware	100%	(R)
Pangaea Baltimore LLC	Delaware	100%	(Q)
Pangaea Port Everglades LLC	Delaware	100%	(Q)
Pangaea Florida LLC	Delaware	100%	(Q)
Pangaea Texas LLC	Texas	100%	(Q)
Associated Terminals Pangaea Logistics, LLC	Delaware	50%	(Q)
Renaissance Holdings LLC	Marshall Islands	100%	(A)
RHI Alliance Pte. Ltd. ("SBC Alliance")	Singapore	100%	(G)
RHI Synergy Pte. Ltd. ("SBC Synergy")	Singapore	100%	(G)
RHI Unity Pte. Ltd. ("SBC Unity")	Singapore	100%	(G)
RHI Fortitude Pte. Ltd. ("SBC Fortitude")	Singapore	100%	(G)
RHI Savannah Pte. Ltd. ("SBC Savannah")	Singapore	100%	(G)
RHI Tenacity Pte. Ltd. ("SBC Tenacity")	Singapore	100%	(G)
SBC Endeavor LLC ("SBC Endeavor")	Marshall Islands	100%	(G)
SBC Endeavor Pte. Ltd. ("SBC Endeavor")	Singapore	100%	(G)
SBC Resolve LLC ("SBC Resolve")	Marshall Islands	100%	(G)
SBC Resolve Pte. Ltd. ("SBC Resolve")	Singapore	100%	(G)
SBC Vision LLC ("SBC Vision")	Marshall Islands	100%	(G)
SBC Vision Pte. Ltd. ("SBC Vision")	Singapore	100%	(G)
SBC Explorer LLC ("SBC Explorer")	Marshall Islands	100%	(G)
SBC Explorer Pte. Ltd. ("SBC Explorer")	Singapore	100%	(G)
SBC Entity LLC ("SBC Entity")	Marshall Islands	100%	(G)
SBC Entity Pte. Ltd. ("SBC Entity")	Singapore	100%	(G)
SBC Spirit LLC ("SBC Spirit")	Marshall Islands	100%	(G)
SBC Spirit Pte. Ltd. ("SBC Spirit")	Singapore	100%	(G)
SBC Venture Pte. Ltd. ("SBC Venture")	Singapore	100%	(G)
SBC Equity Pte. Ltd. ("SBC Equity")	Singapore	100%	(G)
SBC Harmony Pte. Ltd. ("SBC Harmony")	Singapore	100%	(G)

- (A) The primary purpose of this corporation is to manage and operate ocean going vessels.
- (B) The primary purpose of this entity is to perform certain administrative management functions that have been assigned by PBC.
- (C) The primary purpose of this corporation is to provide logistics services to customers by chartering, managing and operating ships.
- (D) The primary purpose of this corporation is to manage the fuel procurement for all vessels.
- (E) The primary purpose of this corporation is to act as the U.S. administrative agent for the Company.
- (F) The primary purpose of this corporation is to act as the treasury agent for the Company.
- (G) The primary purpose of these entities is owning bulk carriers.

- (H) The primary purpose of these entities is to provide logistics services to customers by chartering, managing and operating ships. NBV is the holding company of Pangaea Denmark.
- (I) Long Wharf is a limited liability company duly organized under the laws of Delaware for the purpose of holding real estate located in Newport, Rhode Island.
- (J) The primary purpose of these entities is owning bulk carriers. These companies are wholly-owned by NBHC, which is two-third owned by the Company.
- (K) The primary purpose of this entity is to hold the Company's interest in vessel owning companies.
- (L) The primary purpose of this entity is to own or lease bulk carriers through wholly-owned subsidiaries. The Company's interest in Bulk Odyssey, Bulk Orion, Bulk Oshima, Bulk Olympic, Bulk Odin and Bulk Oasis is through its interest in NBHC.
- (M) The primary purpose of this entity is to own or lease bulk carriers through wholly-owned subsidiaries.
- (N) The primary purpose of VLNL is to own and operate the deck barge Miss Nora G. Pearl.
- (O) The primary purpose of FVL is the carriage of specialized cargo.
- (P) This entity is the technical manager of 25 vessels owned and operated by the Company.
- (Q) The primary purpose of the company is to manage and operate port terminals.
- (R) The primary purpose of the company is to manage U.S.-based business activities.

Crewing and Employees

Each of our vessels is crewed with 20-25 independently contracted officers and crew members and, on certain vessels, directly contracted officers. Our technical managers are responsible for locating, contracting and retaining qualified officers for its vessels. The crewing agencies handle each crew member's training, travel and payroll, and ensure that all the crew members on its vessels have the qualifications and licenses required to comply with international regulations and shipping conventions. The Company typically has more crew members on board than are required by the country of the vessel's flag in order to allow for the performance of routine maintenance duties.

The Company employs approximately 170 shore-based personnel and has approximately 900 independently contracted seagoing personnel on its owned vessels. The shore-based personnel are employed in the United States, Athens, Copenhagen and Singapore.

Competition

The Company operates in markets that are highly competitive and based primarily on supply and demand for ocean transport of drybulk commodities. The Company competes for COAs on the basis of service, price, route history, size, age and condition of the vessel and for charters on the basis of service, price, vessel availability, size, age and condition of the vessel, as well as on its reputation as an owner and operator. The Company principally competes with owners and operators of Panamax, Supramax, Ultramax, Handymax and Handysize bulk carriers. The Company attempts to differentiate itself from other owners and operators by extending its services to support more of its customers' supply chains and concentrates on established niche markets.

Seasonality

Demand for vessel capacity has historically exhibited seasonal variations and, as a result, fluctuations in charter rates. This seasonality may result in quarter-to-quarter volatility in the Company's operating results. The dry bulk carrier market is typically stronger in the fall months in anticipation of increased consumption of coal and other raw materials in the northern hemisphere during the winter months. Seasonal fluctuation are also observed in harvest times in the Northern and Southern Atlantic trades. In addition, unpredictable weather patterns in these months tend to disrupt vessel scheduling and supplies of certain commodities. The Company may earn higher margins on ice-class business in winter and during severe ice trading.

Permits and Authorizations

The Company is required by various governmental and quasi-governmental agencies to obtain certain permits and certificates with respect to its vessels. The kinds of permits and certificates required depend upon several factors, including the commodity transported, the waters in which the vessel operates, the nationality of the vessel's crew and the age of the vessel. The Company has been able to obtain all permits and certificates currently required to permit its vessels to operate. Additional laws and regulations, environmental or otherwise, may be adopted which could limit its ability to do business or increase the cost of doing business.

Environmental and Other Regulations

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

A variety of government and private entities subject the Company's vessels to both scheduled and unscheduled inspections. These entities include the local port authorities (such as the U.S. Coast Guard, harbor master or equivalent), classification societies, flag state administrations (countries of registry), charterers and terminal operators. Certain of these entities require them to obtain permits, certificates or approvals for the operation of its vessels. Failure to maintain necessary permits, certificates or approvals could require it to incur substantial costs or temporarily suspend the operation of one or more of its vessels.

Increasing environmental concerns have created a demand for vessels that conform to the stricter environmental standards. The Company is required to maintain operating standards for all of its vessels that emphasize operational safety, quality maintenance, continuous training of its officers and crews and compliance with United States and international regulations. The Company believes that the operation of its vessels is in substantial compliance with applicable environmental laws and regulations and that its vessels have all material permits, certificates or other approvals necessary for the conduct of its operations as of the date of this Form 10-K. However, because such laws and regulations are frequently changed and may impose increasingly strict requirements, the Company cannot predict the ultimate cost of complying with these requirements, or the impact of these requirements on the resale value or useful lives of its vessels. In addition, a future serious marine incident that results in significant oil pollution or otherwise causes significant adverse environmental impact could result in additional legislation or regulation that could negatively affect the Company's profitability.

As a global logistics provider, headquartered in the United States, we recognize the impacts of our actions and are focused on establishing safe, responsible, and sustainable policies and practices that will enhance our business for the long term. Transparency is an important step toward sustainability in our industry and we were pleased to present our third concise Environmental, Social and Governance (ESG) report based on the Marine Transportation framework developed by the Sustainability Accounting Standards Board (SASB) during 2023. More specifically over the past several years we have taken steps to integrate ESG into operations, including:

1. Renewed our owned fleet with modern second hand and newbuilding vessels with lower overall fuel consumption than older vessels in order to reduce our fleet's greenhouse gas emissions. The Company took delivery of four Post Panamax vessels in 2021, which has significantly improved the fleet's emissions profile. The improvement is measured by fuel consumption per deadweight ton.
2. We utilize performance monitoring and weather routing services on both our owned and our chartered fleet. Using sophisticated forecasting algorithms and machine learning, we optimize the speed of our vessels by considering commercial and environmental concerns while reducing the amount of fuel consumed when the ships encounter adverse weather and/or currents;
3. We have established Ship Energy Efficiency Management Plans (SEEMP) to improve the efficiency of our vessels. Through the SEEMP, we ensure that all our ships are operated efficiently by:
 - a. Optimizing the speed of the vessels;
 - b. Making course changes to avoid higher fuel consumption caused by rough weather;
 - c. Hull cleaning in dry dock to improve speed and reduce fuel consumption;
4. For our chartered-in fleet we seek to employ the most fuel efficient designs available;
5. Ballast water treatment systems are currently installed on all vessels;
6. Use of environmental consultants to assess and improve terminal operations. As the Company expands its operations to ports and terminals, it becomes more exposed to environmental requirements and regulations ashore.

International Maritime Organization

The United Nations' International Maritime Organization, or the IMO, has adopted the International Convention for the Prevention of Marine Pollution from Ships, 1973, as modified by the Protocol of 1978 relating thereto, collectively referred to as MARPOL 73/78 and herein as "MARPOL," the International Convention for the Safety of Life at Sea of 1974 ("SOLAS Convention"), and the International Convention on Load Lines of 1966 (the "LL Convention"). MARPOL entered into force on October 2, 1983 and establishes environmental standards related to oil leakage or spilling, air emissions, garbage management, sewage, and handling and disposal of noxious liquids, including harmful substances in packaged form. It has been adopted by over 150 nations, including many of the jurisdictions in which the Company's vessels operate. MARPOL sets forth pollution-prevention requirements applicable to drybulk carriers, among other vessels, and is broken into six Annexes, each of which regulates a different source of pollution. Annex I relates to oil leakage or spilling; Annexes II and III relate to harmful substances carried, in bulk, in liquid or packaged form, respectively; and Annexes IV and V relate to sewage and garbage management, respectively. Annex VI, separately adopted by the IMO in September of 1997, relates to air emissions. New emissions standards, titled IMO-2020, took effect on January 1, 2020.

In 2013, the IMO's Marine Environmental Protection Committee, or the "MEPC," adopted a resolution amending MARPOL Annex I Condition Assessment Scheme, or "CAS." These amendments became effective on October 1, 2014 and require compliance with the 2011 International Code on the Enhanced Programme of Inspections during Surveys of Bulk Carriers and Oil Tankers, or "ESP Code," which provides for enhanced inspection programs. The Company may need to make certain financial expenditures to comply with these amendments in the future, which could be significant.

Air Emissions

In September of 1997, the IMO adopted Annex VI to MARPOL to address air pollution from vessels. Effective May 2005, Annex VI sets limits on sulfur oxide and nitrogen oxide emissions from all commercial vessel exhausts and prohibits "deliberate emissions" of "ozone depleting substances," defined to include certain halons and chlorofluorocarbons. Deliberate emissions are not limited to times when the ship is at sea; they can for example include discharges occurring in the course of the ship's repair and maintenance. Emissions of "volatile organic compounds" from certain tankers, and the shipboard incineration (from incinerators installed after January 1, 2000) of certain substances (such as polychlorinated biphenyls (PCBs)) are also prohibited. Annex VI also includes a global cap on the sulfur content of fuel oil (see below).

The IMO's Marine Environment Protection Committee, or MEPC, adopted amendments to Annex VI regarding emissions of sulfur oxide, nitrogen oxide, particulate matter and ozone depleting substances, which entered into force on July 1, 2010. The Amended Annex VI seeks to further reduce air pollution by, among other things, implementing a progressive reduction of the amount of sulfur contained in any fuel oil used onboard ships. On October 27, 2016, MEPC 70 agreed to implement a global 0.5% m/m sulfur oxide emissions limit (reduced from 3.50%) starting from January 1, 2020. This limitation can be met by using low-sulfur compliant fuel oil, alternative fuels, or certain exhaust gas cleaning systems. Ships are now required to obtain bunker delivery notes and International Air Pollution Prevention ("IAPP") Certificates from their flag states that specify sulfur content. Additionally, at MEPC 73, amendments to Annex VI to prohibit the carriage of bunkers above 0.5% sulfur on ships were adopted and took effect March 1, 2020, with the exception of vessels fitted with exhaust gas cleaning equipment ("scrubbers") which can carry fuel of higher sulfur content. These regulations subject ocean-going vessels to stringent emissions controls, and may cause us to incur substantial costs, including those related to the purchase, installation and operation of scrubbers and the purchase of compliant fuel oil.

Sulfur content standards are even stricter within certain “Emission Control Areas,” or (“ECAs”). As of January 1, 2015, ships operating within an ECA were not permitted to use fuel with sulfur content in excess of 0.1% m/m. Currently, the IMO has designated five ECAs, including specified portions of the Baltic Sea area, Mediterranean Sea area, North Sea area, North American area and United States Caribbean area. Ocean-going vessels in these areas will be subject to stringent emission controls and may cause us to incur additional costs. Certain ports in which our vessels call, including China and Singapore, are currently or may become subject to local regulations that impose stricter emission controls. In July 2023, MEPC 80 announced three new ECA proposals, including the Canadian Arctic waters and the Norwegian Sea, which should take effect in March 2027. MEPC 83 also approved Northeast Atlantic Ocean as an ECA and is expected to take effect in 2028. If other ECAs are approved by the IMO, or other new or more stringent requirements relating to emissions from marine diesel engines or port operations by vessels are adopted by the U.S. Environmental Protection Agency (“EPA”) or the states where we operate, compliance with these regulations could entail significant capital expenditures or otherwise increase the costs of our operations. Refer to “Capital Expenditures” in Item 7, Management’s Discussion and Analysis of Financial Condition and Results of Operations and “We are subject to regulation and liability under environmental and operational safety laws that could require significant expenditures or subject us to increased liability” in Item 1A. Risk Factors for further details of our plan for compliance and potential costs.

The amended Annex VI also established new tiers of stringent nitrogen oxide emissions standards for marine diesel engines, depending on their date of installation. Tier III Nitrogen Oxide, or NO_x, standards were designed for the control of NO_x produced by vessels and apply to ships that operate in the North American and U.S. Caribbean Sea ECAs with marine diesel engine installed and constructed on or after January 1, 2016. At MEPC 70 and MEPC 71, the MEPC approved the North Sea and Baltic Sea as ECAs for nitrogen oxide for ships built on or after January 1, 2021. The Canadian-Arctic ECA for NO_x will also be effective starting from March 1, 2026 for ships built on or after January 1, 2025. For the Norwegian Sea ECA, the NO_x Tier III engine certification requirement will apply to ships (i) with building contracts placed on or after March 1, 2026, (ii) in the absence of a building contract, constructed on or after September 1, 2026, or (iii) delivered on or after March 1, 2030. For the North-East Atlantic ECA, the requirement is expected to apply to ships (i) contracted on or after January 1, 2027, (ii) in the absence of a building contract, constructed on or after July 1, 2027, or (iii) delivered on or after January 1, 2031. The EPA promulgated equivalent (and in some senses stricter) emissions standards in 2010 and we are compliant with the Tier I and Tier II requirements for NO_x emissions under the EPA standards and Annex VI. We do not currently own any vessels subject to the Tier III requirements, although we may acquire such vessels in the future. In April 2025, MEPC 83 also adopted amendments (expected to enter into force late 2026 and early 2027) to the NO_x Technical Code 2008, which allows ships to optimize fuel consumption based on their operational profile, thus improving energy efficiency, while ensuring compliance with NO_x emission requirements. As a result of these designations or similar future designations, we may be required to incur additional operating or other costs.

At MEPC 70, Regulation 22A of MARPOL Annex VI became effective as of March 1, 2018 and requires ships above 5,000 gross tonnage to collect and report annual data on fuel oil consumption to an IMO database, with the first year of data collection having commenced on January 1, 2019. The IMO used such data as part of its initial roadmap (through 2023) for developing its strategy to reduce greenhouse gas emissions from ships, as discussed further below. MEPC 83 approved draft amendments to make the IMO’s data collection system more accessible to the public through an anonymized database.

As of January 1, 2013, MARPOL made mandatory certain measures relating to energy efficiency for ships. All ships are now required to develop and implement Ship Energy Efficiency Management Plans (“SEEMP”), and new ships must be designed in compliance with minimum energy efficiency levels per capacity mile as defined by the Energy Efficiency Design Index (“EEDI”). Under these measures, by 2025, all new ships built will be 30% more energy efficient than those built in 2014. MEPC 75 adopted amendments to MARPOL Annex VI which brings forward the effective date of the EEDI’s “phase 3” requirements from January 1, 2025 to April 1, 2022 for several ship types, including gas carriers, general cargo ships, and LNG carriers.

Additionally, in 2022, MEPC amended Annex VI to impose new regulations to reduce greenhouse gas emissions from ships. These amendments introduce requirements to assess and measure the energy efficiency of all ships and set the required attainment values, with the goal of reducing the carbon intensity of international shipping. The requirements include (1) a technical requirement to reduce carbon intensity based on a new Energy Efficiency Existing Ship Index (“EEXI”), and (2) operational carbon intensity reduction requirements, based on a new operational carbon intensity indicator (“CII”). The attained EEXI is required to be calculated for ships of 400 gross tonnage and above, in accordance with different values set for ship types and categories. With respect to the CII, the draft amendments would require ships of 5,000 gross tonnage to document and verify their actual annual operational CII achieved against a determined required annual operational CII. All ships above 400 gross tonnage must also have an approved SEEMP on board. For ships above 5,000 gross tonnage, the SEEMP needs to include certain mandatory content. That same year, MEPC 75 amended MARPOL Annex I to prohibit the use and carriage for use as fuel of heavy fuel oil (“HFO”) by ships in Arctic waters on and after July 1, 2024. In 2021, MEPC 77 adopted a non-binding resolution which urges Member States and ship operators to voluntarily use distillate or other cleaner alternative fuels or methods of propulsion that are safe for ships and could contribute to the reduction of Black Carbon emissions from ships when operating in or near the Arctic.

In late 2022, MEPC 79 adopted amendments to MARPOL Annex VI, Appendix IX to include the attained and required CII values, the CII rating and attained EEXI for existing ships in the required information to be submitted to the IMO Ship Fuel Oil Consumption Database. MEPC 79 also revised the EEDI calculation guidelines to include a CO2 conversion factor for ethane, a reference to the updated ITCC guidelines, and a clarification that in case of a ship with multiple load line certificates, the maximum certified summer draft should be used when determining the deadweight. The amendments entered into force on May 1, 2024. In July 2023, MEPC 80 approved the plan for reviewing CII regulations and guidelines, and in April 2025, MEPC 83 adopted amendments to 2021 Guidelines on operational carbon intensity reduction factors, which outline methods for determining CII reduction factors from 2023 and now includes newly defined factors from 2027 to 2030. MEPC 83 also approved a work plan on the development of a regulatory framework for the use of onboard carbon capture and storage systems, which will capture carbon produced by a ship before it is emitted into the air.

We may incur costs to comply with these revised standards. Additional or new conventions, laws and regulations may be adopted that could require the installation of expensive emission control systems and could adversely affect our business, results of operations, cash flows and financial condition. The Company plans to continue to invest in its existing fleet to improve fuel efficiency and comply with these revised standards through its comprehensive IMO 2023 plan.

Safety Management System Requirements

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

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

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

Regulation II-1/3-10 of the SOLAS Convention governs ship construction and stipulates that ships over 150 meters in length must have adequate strength, integrity and stability to minimize risk of loss or pollution. Goal-based standards amendments in SOLAS regulation II-1/3-10 entered into force in 2012, with July 1, 2016 set for application to new oil tankers and bulk carriers. The SOLAS Convention regulation II-1/3-10 on goal-based ship construction standards for bulk carriers and oil tankers, which entered into force on January 1, 2012, requires that all oil tankers and bulk carriers of 150 meters in length and above, for which the building contract is placed on or after July 1, 2016, satisfy applicable structural requirements conforming to the functional requirements of the International Goal-based Ship Construction Standards for Bulk Carriers and Oil Tankers (“GBS Standards”).

Amendments to the SOLAS Convention Chapter VII apply to vessels transporting dangerous goods and require those vessels be in compliance with the International Maritime Dangerous Goods Code (“IMDG Code”). Effective January 1, 2018, the IMDG Code includes (1) the provisions for radioactive material, reflecting the latest provisions from the International Atomic Energy Agency, (2) marking, packing and classification requirements for dangerous goods, and (3) mandatory training requirements. Amendments that took effect on January 1, 2020, also reflect the latest material from the UN Recommendations on the Transport of Dangerous Goods, including (1) provisions regarding IMO type 9 tank, (2) abbreviations for segregation groups, and (3) special provisions for carriage of lithium batteries and of vehicles powered by flammable liquid or gas. Additional amendments, which came into force on June 1, 2022, include (1) addition of a definition of dosage rate, (2) additions to the list of high consequence dangerous goods, (3) new provisions for medical/clinical waste, (4) addition of various ISO standards for gas cylinders, (5) a new handling code, and (6) changes to stowage and segregation provisions. The newest edition of the IMDG Code took effect on January 1, 2024, although the changes are largely incremental.

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

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

Furthermore, cybersecurity guidance and regulations have been developed in the near future in an attempt to combat cybersecurity threats. For new ships and offshore installations contracted for construction on or after January 1, 2024, the International Association of Classification Societies, or IACS, now requires vessel owners, yard and suppliers to build cybersecurity barriers into their systems and vessels, requiring compliance across the full spectrum of critical on-board control and navigation systems. On July 16, 2025, the U.S. Coast Guard's final rule, Cybersecurity in the Maritime Transportation System, went into effect. Under this rule, all regulated entities are required to develop Cybersecurity and Cyber Incident Response Plans, designate a Cybersecurity Officer to implement plans, and to report certain cyber incidents to the National Response Center. The impact of these regulations is hard to predict at this time.

Pollution Control and Liability Requirements

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

The MEPC maintains guidelines for approval of ballast water management systems (G8). Ships over 400 gross tons generally must comply with a “D-1 standard,” requiring the exchange of ballast water only in open seas and away from coastal waters. The “D-2 standard” specifies the maximum amount of viable organisms allowed to be discharged, and compliance dates vary depending on the IOPP renewal dates. The standards have been in force since 2019, and for most ships, compliance with the D-2 standard involved installing on-board systems to treat ballast water and eliminate unwanted organisms. Ballast water management systems, which include systems that make use of chemical, biocides, organisms or biological mechanisms, or which alter the chemical or physical characteristics of the ballast water, must be approved in accordance with IMO Guidelines (Regulation D-3). Since September 8, 2024, all ships have been required to meet the D-2 standard. Costs of compliance with these regulations may be substantial. Additionally, in November 2020, MEPC 75 adopted amendments to the BWM Convention which would require a commissioning test of the ballast water management system for the initial survey or when performing an additional survey for retrofits. This analysis will not apply to ships that already have an installed BWM system certified under the BWM Convention. These amendments entered into force on June 1, 2022. In December 2022, MEPC 79 agreed that it should be permitted to use ballast tanks for temporary storage of treated sewage and grey water. MEPC 79 also established that ships are expected to return to D-2 compliance after experiencing challenging uptake water and bypassing a BWM system should only be used as a last resort.

In addition to the BWM Convention, many countries already regulate the discharge of ballast water carried by vessels from country to country to prevent the introduction of invasive and harmful species via such discharges. The U.S., for example, requires vessels entering its waters from another country to conduct mid-ocean ballast exchange, or undertake some alternate measure, and to comply with certain reporting requirements. The system specification requirements for trading in the U.S. have been formalized and we have been installing ballast water treatment systems on our vessels as their special survey deadlines come due. These ballast water treatment systems range in cost from \$0.5 million to \$0.7 million each, primarily dependent on the size of the vessel. The cost of compliance could increase for ocean carriers and may have a material effect on our operations. Refer to “Capital Expenditures” section for further information.

The IMO adopted the International Convention on Civil Liability for Oil Pollution Damage of 1969, as amended by different Protocols in 1976, 1984, and 1992, and amended in 2000, or the CLC. Under the CLC and depending on whether the country in which the damage results is a party to the 1992 Protocol to the CLC, a vessel’s registered owner may be strictly liable for pollution damage caused in the territorial waters of a contracting state by discharge of persistent oil, subject to certain exceptions. The 1992 Protocol changed certain limits on liability expressed using the International Monetary Fund currency unit, the Special Drawing Rights. The limits on liability have since been amended so that the compensation limits on liability were raised. The right to limit liability is forfeited under the CLC where the spill is caused by the shipowner’s actual fault and under the 1992 Protocol where the spill is caused by the shipowner’s intentional or reckless act or omission where the shipowner knew pollution damage would probably result. The CLC requires ships over 2,000 tons covered by it to maintain insurance covering the liability of the owner in a sum equivalent to an owner’s liability for a single incident. We have protection and indemnity insurance for environmental incidents. P&I Clubs in the International Group issue the required Bunkers Convention “Blue Cards” to enable signatory states to issue certificates. All of our vessels are in possession of a CLC State issued certificate attesting that the required insurance coverage is in force.

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

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

Anti-Fouling Requirements

In 2001, the IMO adopted the International Convention on the Control of Harmful Anti-fouling Systems on Ships, or the “Anti-fouling Convention.” The Anti-fouling Convention, which entered into force on September 17, 2008, prohibits the use of organotin compound coatings to prevent the attachment of mollusks and other sea life to the hulls of vessels. Vessels of over 400 gross tons engaged in international voyages will also be required to undergo an initial survey before the vessel is put into service or before an International Anti-fouling System Certificate, or the “IAFS Certificate,” is issued for the first time; and subsequent surveys when the anti-fouling systems are altered or replaced. Vessels of 24 meters in length or more but less than 400 gross tonnage engaged in international voyages will have to carry a Declaration on Anti-fouling Systems signed by the owner or authorized agent.

In November 2020, MEPC 75 approved draft amendments to the Anti-fouling Convention to prohibit anti-fouling systems containing cybutryne, which would apply to ships from January 1, 2023, or, for ships already bearing such an anti-fouling system, at the next scheduled renewal of the system after that date, but no later than 60 months following the last application to the ship of such a system. In addition, the IAFS Certificate has been updated to address compliance options for anti-fouling systems to address cybutryne. Ships which are affected by this ban on cybutryne must receive an updated IAFS Certificate no later than two years after the entry into force of these amendments. Ships which are not affected (i.e. with anti-fouling systems which do not contain cybutryne) must receive an updated IAFS Certificate at the next Anti-fouling application to the vessel. These amendments were formally adopted at MEPC 76 in June 2021, and entered into force on January 1, 2023.

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

Compliance Enforcement

Noncompliance with the ISM Code or other IMO regulations may subject the ship owner or bareboat charterer to increased liability, may lead to decreases in available insurance coverage for affected vessels and may result in the denial of access to, or detention in, some ports. The USCG and European Union authorities prohibit vessels not in compliance with the ISM Code by applicable deadlines from trading in U.S. and European Union ports, respectively. As of the date of this report, each of our vessels is ISM Code certified. However, there can be no assurance that such certificates will be maintained in the future. The IMO continues to review and introduce new regulations. It is impossible to predict what additional regulations, if any, may be passed by the IMO and what effect, if any, such regulations might have on our operations.

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

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

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

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

OPA contains statutory caps on liability and damages; such caps do not apply to direct cleanup costs. Effective March 23, 2023, the new adjusted limits of OPA liability for non-tank vessels, edible oil tank vessels, and any oil spill response vessels, to the greater of \$1,300 per gross ton or \$1,076,000 (subject to periodic adjustment for inflation).

These limits of liability do not apply if an incident was proximately caused by the violation of an applicable U.S. federal safety, construction or operating regulation by a responsible party (or its agent, employee or a person acting pursuant to a contractual relationship), or a responsible party's gross negligence or willful misconduct. The limitation on liability similarly does not apply if the responsible party fails or refuses to (i) report the incident as required by law where the responsible party knows or has reason to know of the incident; (ii) reasonably cooperate and assist as requested in connection with oil removal activities; or (iii) without sufficient cause, comply with an order issued under the Federal Water Pollution Act (Section 311 (c), (e)) or the Intervention on the High Seas Act.

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

OPA and CERCLA each preserve the right to recover damages under existing law, including maritime tort law. OPA and CERCLA both require owners and operators of vessels to establish and maintain with the U.S. Coast Guard evidence of financial responsibility sufficient to meet the maximum amount of liability to which the particular responsible person may be subject. Vessel owners and operators may satisfy their financial responsibility obligations by providing a proof of insurance, a surety bond, qualification as a self-insurer or a guarantee.

Incidents such as the 2010 *Deepwater Horizon* oil spill in the Gulf of Mexico may result in additional regulatory initiatives or statutes, including the raising of liability caps under OPA (which were raised on December 31, 2015). Compliance with any new requirements of OPA may substantially impact the Company's cost of operations or require it to incur additional expenses to comply with any new regulatory initiatives or statutes. Additional legislation or regulations applicable to the operation of its vessels that may be implemented in the future could adversely affect its business.

The Company currently maintains pollution liability coverage insurance in the amount of \$1.0 billion per incident for each of the Company's vessels. If the damages from a catastrophic spill were to exceed the Company's insurance coverage it could have an adverse effect on its business and results of operation.

OPA specifically permits individual states to impose their own liability regimes with regard to oil pollution incidents occurring within their boundaries, provided they accept, at a minimum, the levels of liability established under OPA. Some states have enacted legislation providing for unlimited liability for oil spills, and many U.S. states that border a navigable waterway have enacted environmental pollution laws that impose strict liability on a person for removal costs and damages resulting from a discharge of oil or a release of a hazardous substance. Moreover, some states have enacted legislation providing for unlimited liability for discharge of pollutants within their waters, although in some cases, states which have enacted such legislation have not yet issued implementing regulations defining vessel owners' responsibilities under these laws. These laws may be more stringent than U.S. federal law. The Company intends to comply with all applicable state regulations in the ports where its vessels call. The Company believes that it is in substantial compliance with all applicable existing state requirements. In addition, the Company intends to comply with all future applicable state regulations in the ports where its vessels call.

Other United States Environmental Initiatives

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

The EPA and the USCG have also enacted rules relating to ballast water discharge, compliance with which requires the installation of equipment on our vessels to treat ballast water before it is discharged or the implementation of other port facility disposal arrangements or procedures at potentially substantial costs, and/or otherwise restrict our vessels from entering U.S. Waters. The EPA will regulate these ballast water discharges and other discharges incidental to the normal operation of certain vessels within United States waters pursuant to the Vessel Incidental Discharge Act, or VIDA, which was signed into law on December 4, 2018 and replaces the 2013 Vessel General Permit, or VGP program (which authorizes discharges incidental to operations of commercial vessels and contains numeric ballast water discharge limits for most vessels to reduce the risk of invasive species in U.S. waters, stringent requirements for exhaust gas scrubbers, and requirements for the use of environmentally acceptable lubricants) and current Coast Guard ballast water management regulations adopted under the U.S. National Invasive Species Act, or NISA, such as mid-ocean ballast exchange programs and installation of approved USCG technology for all vessels equipped with ballast water tanks bound for U.S. ports or entering U.S. waters. VIDA establishes a new framework for the regulation of vessel incidental discharges under Clean Water Act, or CWA, requires the EPA to develop performance standards for those discharges within two years of enactment, and requires the U.S. Coast Guard to develop implementation, compliance, and enforcement regulations within two years of EPA's promulgation of standards. In October 2024, the EPA finalized its rule on Vessel Incidental Discharge Standards of Performance, which means that the USCG must now develop corresponding regulations regarding ballast water within two years of that date. Under VIDA, all provisions of the 2013 VGP and USCG regulations regarding ballast water treatment remain in force and effect until the EPA and U.S. Coast Guard regulations are finalized. Non-military, non-recreational vessels greater than 79 feet in length must continue to comply with the requirements of the VGP, including submission of a Notice of Intent, or NOI or retention of a PARI form and submission of annual reports. We have submitted NOIs for our vessels where required. Compliance with the EPA, U.S. Coast Guard and state regulations could require the installation of ballast water treatment equipment on our vessels or the implementation of other port facility disposal procedures at potentially substantial cost, or may otherwise restrict our vessels from entering U.S. waters.

European Union Regulations

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

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

On September 15, 2020, the European Parliament voted to include greenhouse gas emissions from the maritime sector in the European Union's carbon market, the EU Emissions Trading System ("EU ETS") as part of its "Fit-for-55" legislation to reduce net greenhouse gas emissions by at least 55% by 2030 as compared to 1990 levels. This will require shipowners to buy permits to cover these emissions. On December 18, 2022, the Environmental Council and European Parliament agreed to include maritime shipping emissions within the scope of the EU ETS on a gradual introduction of obligations for shipping companies to surrender allowances equivalent to a portion of their carbon emissions: 40% for verified emissions from 2024, 70% for 2025 and 100% for 2026. Most large vessels will be included in the scope of the EU ETS from the start. Big offshore vessels of 5,000 gross tonnage and above will be included in the 'MRV' on the monitoring, reporting and verification of CO2 emissions from maritime transport regulation from 2025 and in the EU ETS from 2027. General cargo vessels and off-shore vessels between 400-5,000 gross tonnage will be included in the MRV regulation from 2025 and their inclusion in EU ETS will be reviewed in 2026. Furthermore, starting from January 1, 2026, the ETS regulations will expand to include emissions of two additional greenhouse gases: nitrous oxide and methane. Compliance with the Maritime EU ETS will result in additional compliance and administration costs to properly incorporate the provisions of the Directive into our business routines. A

Additionally, on July 25, 2023, the European Council of the European Union adopted the Maritime Fuel Regulation under the Fuel EU Initiative of its "Fit-for-55" package which sets limitations on the acceptable yearly greenhouse gas intensity of the energy used by covered vessels. Among other things, the Maritime Fuel Regulation requires that greenhouse gas emissions from covered vessels are reduced by 2% starting January 1, 2025, with additional reductions contemplated every five years (up to 80% from January 1, 2050).

Additional EU regulations which are part of the EU's "Fit-for-55," could also affect our financial position in terms of compliance and administration costs when they take effect.

Greenhouse Gas Regulation

Our industry currently is heavily dependent on the consumption of fossil fuels, which has been linked by certain experts to greenhouse gas emissions and the warming of the global climate system. We are committed to working to reduce our carbon footprint, including by transitioning to low-carbon fuels while continuing to deliver for our customers. Our governance, strategy, risk management and performance monitoring efforts with respect to managing this challenge continue to evolve.

Currently, the emissions of greenhouse gases from international shipping are not subject to the Kyoto Protocol of the United Nations Framework Convention on Climate Change, which entered into force in 2005 and pursuant to which adopting countries have been required to implement national programs to reduce greenhouse gas emissions. International negotiations are continuing with respect to a successor to the Kyoto Protocol, and restrictions on shipping emissions may be included in any new treaty. In December 2009, more than 27 nations, including the U.S. and China, signed the Copenhagen Accord, which includes a non-binding commitment to reduce greenhouse gas emissions. The 2015 United Nations Climate Change Conference in Paris resulted in the Paris Agreement, which entered into force on November 4, 2016 and does not directly limit greenhouse gas emissions from ships. The U.S. is not party to the Paris Agreement.

At MEPC 70 and MEPC 71, a draft outline of the structure of the initial strategy for developing a comprehensive IMO strategy on reduction of greenhouse gas, or GHG, emissions from ships was approved. In accordance with this roadmap, in April 2018, nations at the MEPC 72 adopted an initial strategy to reduce GHG emissions from ships. The initial strategy identifies “levels of ambition” to reduce GHG emissions, and notes that technological innovation, alternative fuels and/or energy sources for international shipping will be integral to achieve the ambitions. At MEPC 77, the Member States agreed to initiate the revision of the Initial IMO Strategy on Reduction of GHG emissions from ships, recognizing the need to strengthen the “levels of ambition.” In July 2023, MEPC 80 adopted the 2023 IMO Strategy on Reduction of GHG Emissions from Ships, or the 2023 IMO Strategy, which builds upon the initial strategy’s levels of ambition. The revised levels of ambition include (1) further decreasing the carbon intensity from ships through improvement of energy efficiency; (2) reducing carbon intensity of international shipping; (3) increasing adoption of zero or near-zero emissions technologies, fuels, and energy sources; and (4) achieving net zero GHG emissions from international shipping. Furthermore, the following indicative checkpoints were adopted in order to reach net zero GHG emissions from international shipping: i) reduce the total annual GHG emissions from international shipping by at least 20%, striving for 30%, by 2030, compared to 2008 levels; and ii) reduce the total annual GHG emissions from international shipping by at least 70%, striving for 80%, by 2040, compared to 2008 levels. As part of the 2023 IMO Strategy, MPEC also created the IMO Net-zero Framework, which will combine mandatory emissions limits and GHG pricing across the industry. The IMO Net-zero Framework was approved at MEPC 83 (Spring 2025) for potential adoption in Spring 2026 and will eventually be included in Annex VI. Under these draft regulations, ships will be required to reduce their annual greenhouse gas fuel intensity, (“GFI”), calculated using the well-to-wake approach and ships emitting above GFI thresholds will have to acquire remedial units to balance its deficit emissions, while those using zero or near-zero GHG technologies will be eligible for financial rewards.

The EU made a unilateral commitment to reduce overall greenhouse gas emissions from its member states from 20% of 1990 levels by 2020. The EU also committed to reduce its emissions by 20% under the Kyoto Protocol’s second period from 2013 to 2020. As of January 2018, large ships over 5,000 gross tonnage calling at EU ports are required to collect and publish data on carbon dioxide emissions and other information. Under the European Climate Law, the EU committed to reduce its net greenhouse gas emissions by at least 55% by 2030 through its “Fit-for-55” legislation package. As part of this initiative, the European Union’s carbon market, EU ETS has been extended to cover CO2 emissions from all large ships entering EU ports starting January 2024..

In the United States, the EPA issued a finding that greenhouse gases endanger the public health and safety, adopted regulations to limit greenhouse gas emissions from certain mobile sources, and proposed regulations to limit greenhouse gas emissions from large stationary sources. However, in March 2017, the Trump administration issued an executive order to review and possibly eliminate the EPA’s plan to cut greenhouse gas emissions, and on August 13, 2020, the EPA released rules rolling back standards to control methane and volatile organic compound emissions from new oil and gas facilities. In early 2021, the Biden administration directed the EPA to publish a proposed rule suspending, revising, or rescinding certain of these rules, which was finalized in December 2023. However, the current administration is delaying these requirements limiting methane emissions and is considering repealing the measure altogether. Therefore, it is unclear how such environmental regulations could affect our operations.

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

International Labor Organization

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

Vessel Security Regulations

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

Similarly, Chapter XI-2 of the SOLAS Convention imposes detailed security obligations on vessels and port authorities and mandates compliance with the International Ship and Port Facility Security Code, or the ISPS Code. The ISPS Code is designed to enhance the security of ports and ships against terrorism. To trade internationally, a vessel must attain an International Ship Security Certificate, or the ISSC, from a recognized security organization approved by the vessel's flag state. Ships operating without a valid certificate may be detained, expelled from, or refused entry at port until they obtain an ISSC.

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

The cost of vessel security measures has also been affected by the escalation in the frequency of acts of piracy against ships, notably off the coast of Somalia, including the Gulf of Aden and Arabian Sea area, as well as off the coast of Western Africa. Substantial loss of revenue and other costs may be incurred as a result of detention of a vessel or additional security measures, and the risk of uninsured losses could significantly affect our business. Costs are incurred in taking additional security measures in accordance with Best Management Practices to Deter Piracy, notably those contained in the BMP5 industry standard.

Inspection by Classification Societies

Every oceangoing vessel must be "classed" by a classification society. The classification society certifies that the vessel is "in class," signifying that the vessel has been built and maintained in accordance with the rules of the classification society and complies with applicable rules and regulations of the vessel's country of registry and the international conventions of which that country is a member. In addition, where surveys are required by international conventions and corresponding laws and ordinances of a flag state, the classification society will undertake them on application or by official order, acting on behalf of the authorities concerned.

The classification society also undertakes, as requested, other surveys that may be required by the vessel's flag state. These surveys are subject to agreements made with the vessel owner and/or to the regulations of the country concerned.

For maintenance of the class certification, annual, intermediate and special surveys of hull and machinery, including the electrical plant, and any special equipment, are required to be performed as follows:

- *Annual Surveys:* For seagoing ships, annual surveys are conducted within three months, before or after each anniversary of the class period indicated in the certificate.
- *Intermediate Surveys:* Extended surveys are referred to as intermediate surveys and are typically conducted two and one-half years after commissioning, and two and one-half years after each class renewal. Intermediate surveys are to be carried out at or between the occasion of the second or third annual survey.
- *Class Renewal Surveys:* Class renewal surveys, also known as special surveys, are carried out at the intervals indicated by the character of classification for the hull. At the special survey, the vessel is thoroughly examined, including audio-gauging to determine the thickness of the steel structures. If the steel thickness is found to be less than class requirements, the classification society would prescribe steel renewals which require drydocking of the vessel. The classification society may grant a one-year grace period for completion of the special survey. Substantial costs may be incurred for steel renewal in order to pass a special survey if the vessel experiences excessive wear and tear. In lieu of the special survey every four or five years, depending on whether a grace period was granted, a shipowner has the option of arranging with the classification society for the vessel's hull or machinery to be on a continuous survey cycle, in which case every part of the vessel would be surveyed on a continuous five-year cycle. This process is referred to as continuous class renewal.

All areas subject to survey, as defined by the classification society, are required to be surveyed at least once per class period unless shorter intervals between surveys are prescribed elsewhere. The period between two subsequent surveys of each area must not exceed five years.

Most vessels undergo regulatory inspection of the underwater parts every 30 to 36 months. If any defects are found, the classification surveyor will issue a recommendation which must be rectified by the ship owner within prescribed time limits.

The Company expects to perform thirteen special surveys in 2026 at an aggregate total cost of approximately \$15.7 million. The Company expects to perform two intermediate surveys in 2026 at an aggregate total cost of approximately \$3.0 million. The Company estimates that offhire related to the surveys and related repair work is ten to twenty days per vessel, depending on the size and condition of the vessel.

Most insurance underwriters make it a condition for insurance coverage that a vessel be certified as “in class” by a classification society which is a member of the International Association of Classification Societies. All of the Company’s vessels are certified by Det Norske Veritas, Nippon Kaiji Kiokai or Bureau Veritas. All new and second-hand vessels that the Company purchases must be certified prior to delivery under its standard purchase contracts, referred to as the memorandum of agreement or ship building contracts. Certification of second-hand vessels must be verified by a Class Maintenance Certificate issued within 72 hours prior to delivery. If the vessel is not certified on the date of closing, the Company has the option to cancel the agreement on the basis of Seller’s default, and not take delivery of the vessel.

Risk of Loss and Insurance

General

The operation of any dry bulk vessel includes risks such as mechanical failure, collision, property loss, cargo loss or damage, and business interruption due to political circumstances in foreign countries, hostilities and labor strikes. In addition, there is an inherent possibility of marine disaster, including oil spills (e.g. fuel oil) and other environmental incidents, and the liabilities arising from owning and operating vessels in international trade. OPA, which imposes virtually unlimited liability for certain oil pollution accidents upon owners, operators and demise charterers of vessels trading in the United States exclusive economic zone, has made liability insurance more expensive for ship owners and operators trading in the U.S. market.

The Company maintains hull and machinery insurance, war risks insurance, protection and indemnity cover and freight, demurrage and defense cover for its owned fleet at amounts it believes address the normal risks of its operations. The Company may not be able to maintain this level of coverage throughout a vessel’s useful life. Furthermore, while the Company believes that its current insurance coverage is adequate, not all risks can be insured, and there can be no guarantee that any specific claim will be paid, or that the Company will always be able to obtain adequate insurance coverage at reasonable rates.

Hull & Machinery and War Risks Insurance

The Company maintains marine hull and machinery and war risks insurances, which cover the risk of actual or constructive total loss, for all of its vessels. Vessels are insured for their fair market value, at a minimum, with a deductible of \$100,000 per vessel per incident.

Protection and Indemnity Insurance

Protection and indemnity insurance is a form of mutual indemnity insurance provided by mutual protection and indemnity associations, or P&I Associations, which insure the Company’s third-party liabilities in connection with its shipping activities. This includes third-party liability and other related expenses resulting from the injury, illness or death of crew, passengers and other third parties, the loss or damage to cargo, claims arising from collisions with other vessels, damage to other third-party property, pollution arising from oil or other substances and salvage, towing and other related costs, including wreck removal. Subject to the “capping” discussed below, the Company’s coverage, except for pollution, is unlimited.

The Company’s current protection and indemnity insurance coverage for pollution is \$1.0 billion per vessel per incident. The 12 P&I Associations that comprise the International Group insure approximately 90% of the world’s commercial tonnage and have entered into a pooling agreement to reinsure each association’s liabilities. As a member of a P&I Association, which is a member of the International Group, the Company is subject to calls payable to the associations based on the group’s claim records as well as the claim records of all other members of the individual associations and members of the pool of P&I Associations comprising the International Group.

Exchange Controls

The Company is an exempted company organized under the Bermuda Companies Act. The Bermuda Companies Act differs in some material respects from laws generally applicable to United States companies and their stockholders. However, a general permission issued by the Bermuda Monetary Authority, or BMA, results in the Company's common shares being freely transferable among persons who are residents and non-residents of Bermuda. Each shareholder, whether a resident or non-resident of Bermuda, is entitled to one vote for each share of stock held by the shareholder.

Although the Company is incorporated in Bermuda, the Company is classified as a non-resident of Bermuda for exchange control purposes by the BMA. Other than transferring Bermuda Dollars out of Bermuda, there are no restrictions on its ability to transfer funds into and out of Bermuda or to pay dividends in currency other than Bermuda Dollars to U.S. residents (or other non-residents of Bermuda) who are holders of its common shares.

In accordance with Bermuda law, share certificates may be issued only in the names of corporations, individuals or legal persons. In the case of an applicant acting in a special capacity (for example, as an executor or trustee), certificates may, at the request of the applicant, record the capacity in which the applicant is acting. Notwithstanding the recording of any such special capacity, the Company is not bound to investigate or incur any responsibility in respect of the proper administration of any such estate or trust.

The Company will take no notice of any trust applicable to any of its shares or other securities whether or not the Company had notice of such trust.

INDUSTRY AND MARKET CONDITIONS

Market Overview

Ocean going vessels represent the most efficient and often the only means of transporting large volumes of dry cargo over long distances. Dry bulk cargo includes both major and minor commodities such as coal, iron ore, grain, bauxite, cement clinker, and limestone. Dry bulk trade is influenced by the underlying demand for the dry bulk commodities which in turn is influenced by the level of global economic activity.

The world's fleet of vessels dedicated to carrying dry bulk cargoes is traditionally divided into six major categories, based on a vessel's cargo carrying capacity. These categories are: Handysize, Supramax, Ultramax, Panamax, Capesize and Very Large Ore Carrier. Certain routes and geographies are less accessible to certain vessel sizes. For example, Panamax and Supramax vessels are the main dry bulk vessel types deployed in the Baltic due to draft restrictions.

Dry bulk vessels are employed through a number of different chartering options. The most common are time charters, spot charters, and voyage charters. Historically, charter rates have been volatile as they are driven by the underlying balance between vessel supply and demand. Ice class vessels, when operating in ice-bound areas, usually command a rate premium to conventional trades.

Dry Bulk Shipping — the Main Participants

In the dry bulk shipping industry there are multiple functions, with individual parties carrying out one or more of such functions. In general, the principal functions within dry bulk shipping are as follows:

- Ship Owner or Registered Owner — Generally, this is an entity retaining the legal title of ownership over a vessel.
- Ship Operator — Generally, this is an entity seeking to generate profit either through the chartering of ships (owned or chartered-in) to others, or from the transportation of cargoes. Entities focusing on the transportation of cargoes may engage in chartering of ships to other entities, but those companies focusing on chartering ships to other entities rarely act to carry cargoes for customers.
- Shipmanager/Commercial Manager — This is an entity designated to be responsible for the day to day commercial management of the ship and the best contact for the ship regarding commercial matters, including post fixture responsibilities, such as laytime, demurrage, insurance and charter clauses. These companies undertake the activities of ship operators but, unlike a ship operator, they do not own or charter-in the vessels at their own risk.

- **Technical Manager** — This is an entity specifically responsible for the technical operation and technical superintendence of a ship. This company may also be responsible for hiring, training and supervising ship officers and crew, and for all aspects of the day to day operation of the fleet, including repair work, spare parts inventory, re-engineering, surveys and dry-docking.
- **Cargo Owner** — This is normally a producer (e.g., a miner), consumer (e.g., a steel mill) or trading house who requires transportation of cargo by a cargo focused ship operator.

The Company participates in each of these capacities with the exception of cargo owner, although at rare opportunistic times the Company may purchase cargo for resale after completion of a voyage.

The Freight Market

Dry bulk vessels are employed in the market through a number of different chartering options. The general terms typically found in these types of contracts are described below.

- **Time Charter.** A charter under which the vessel owner or operator is paid charterhire on a per-day basis for a specified period of time. Typically, the shipowner receives semi-monthly charterhire payments on a U.S. dollar-per-day basis and is responsible for providing the crew and paying vessel operating expenses, while the charterer is responsible for paying the voyage expenses and additional voyage insurance. The ship owner is also responsible for the vessel's intermediate and special survey (heavy mandatory maintenance) costs. Under time charters, including trip charters, the charterer pays all voyage expenses including port, canal and bunker (fuel) costs.
- **Trip Charter.** A time charter for a trip to carry a specific cargo from a load port to a discharge port at a set daily rate.
- **Voyage Charter.** A charter to carry a specific amount and type of cargo on a load-port to discharge-port basis, subject to various cargo handling terms. Most of these charters are of a single voyage nature, as trading patterns do not encourage round trip voyage trading. The ship operator receives payment based on a price per ton of cargo loaded on board the vessel. The ship operator is responsible for the payment of all voyage expenses, as well as the costs of owning or hiring the vessel.
- **Contract of Affreightment.** A contract of affreightment, or COA, relates to the carriage of multiple cargoes over the same route and enables the service provider to nominate different vessels to perform the individual voyages. Essentially, it constitutes a series of voyage charters to carry a specified amount of cargo during the term of the COA, which usually spans a number of months or years. Freight normally is agreed on a U.S. dollar-per-ton carried basis with bunker cost escalation or de-escalation adjustments.
- **Bareboat Charter.** A bareboat charter involves the use of a vessel, usually over longer periods of time (several years). In this case, all voyage expenses and vessel operating expenses, including maintenance, crewing and insurance, are paid for by the charterer. The owner of the vessel receives monthly charterhire payments on a U.S. dollar per day basis and is responsible only for the payment of capital costs related to the vessel. A bareboat charter is also known as a "demise charter" or a "time charter by demise."

The Company primarily employs its vessels under voyage charters together with COAs and time charters.

Rates

In the time charter (period) market, rates vary depending on the length of the charter period and vessel specific factors such as age, speed, size and fuel consumption. In the voyage charter market, rates are influenced by cargo size, commodity, port dues, bunker prices, and canal transit fees, as well as delivery and redelivery regions. In general, a larger cargo size is quoted at a lower rate per ton than a smaller cargo size. Routes with costly ports or canals generally command higher rates. Voyages loading from a port where vessels usually discharge cargo, or discharging at a port where vessels usually load cargo, are generally quoted at lower rates. These voyages are known as "backhaul" voyages.

In some cases, charters will include an additional payment known as a ballast bonus. A ballast bonus is a lump sum payment made to a shipowner or operator (by the charterer) as compensation for delivering a ship in a particular loading region of the world. For a ship to enter a loading region, an empty (ballast) leg may be required because there are no inbound cargoes. The ballast bonus should reflect the cost of the empty ballast in terms of time and fuel. A typical fixture that involves a ballast bonus might be expressed as "freight hire of \$10,000 per day, plus a ballast bonus of \$100,000 lump sum".

Within the dry bulk shipping industry, the freight rate indices issued by the Baltic Exchange in London are the references most likely to be monitored. These references are based on actual charter hire rates under charters entered into by market participants as well as daily assessments provided to the Baltic Exchange by a panel of major shipbrokers. The Baltic Exchange, an independent organization comprised of shipbrokers, shipping companies and other shipping players, provides daily independent shipping market information and has created freight rate indices reflecting the average freight rates for the major bulk vessel trading routes. The Baltic Dry Index, or BDI, is a composite of the Capesize, Panamax and Supramax timecharter averages. It is considered a proxy for dry bulk shipping stocks as well as a general shipping market bellwether.

Dry Bulk Trades Requiring Ice Class Tonnage

Ice class vessels are required to serve ports accessed by routes crossing seasonal or year-round ice-covered oceans, lakes, seas or rivers. Ice class vessels are mainly deployed in the Baltic Sea, the Northern Sea Route (NSR) and the Great Lakes/St. Lawrence Seaway. These regions have experienced strong trade growth in dry bulk cargoes, driven in particular by increased mining activities supported by strong commodity demand in Asia, decreased level of ice, and technology advancement in shipping. The Company's ice class vessels also serve a long-term customers requirement in the Canadian Arctic.

TAXATION

U.S. Taxation

The following discussion is based upon the provisions of the U.S. Internal Revenue Code of 1986, as amended, or the Code, existing and proposed U.S. Treasury Department regulations, or the Treasury Regulations, administrative rulings and pronouncements and judicial decisions, all as of the date of this annual report. Unless otherwise noted, references to the "Company" include the Company's Subsidiaries. This discussion assumes that we do not have an office or other fixed place of business in the United States.

Taxation of the Company's Shipping Income: In General

The Company anticipates that it will derive a significant portion of its gross income from the use and operation of vessels in international commerce and that this income will principally consist of freights from the transportation of cargoes, hire or lease from time or voyage charters and the performance of services directly related thereto, which the Company refers to as "shipping income". Shipping income that is attributable to transportation that begins or ends, but that does not both begin and end, in the United States will be considered to be 50% derived from sources within the United States. Shipping income attributable to transportation that both begins and ends in the United States will be considered to be 100% derived from sources within the United States. The Company is not permitted by law to engage in transportation that gives rise to 100% U.S. source income. Shipping income attributable to transportation exclusively between non-U.S. ports will be considered to be 100% derived from sources outside the United States. Shipping income derived from sources outside the United States will not be subject to U.S. federal income tax.

Based upon the Company's anticipated shipping operations, the Company's vessels will operate in various parts of the world, including to or from U.S. ports. Unless exempt from U.S. federal income taxation under Section 883 of the Code, the Company will be subject to U.S. federal income taxation, in the manner discussed below, to the extent its shipping income is considered derived from sources within the United States.

Application of Section 883 of the Code

Under the relevant provisions of Section 883 of the Code, or Section 883, the Company will be exempt from U.S. federal income taxation on its U.S. source shipping income if:

- (i) It is organized in a "qualified foreign country," which is one that grants an equivalent exemption from tax to corporations organized in the United States in respect of the shipping income for which exemption is being claimed under Section 883, and which the Company refers to as the Country of Organization Requirement; and
- (ii) It can satisfy any one of the following two stock ownership requirements for more than half the days during the taxable year:
 - the Company's stock is "primarily and regularly traded on an established securities market" located in the United States or a "qualified foreign country," which the Company refers to as the Publicly-Traded Test; or

- more than 50% of the Company's stock, in terms of value, is beneficially owned by any combination of one or more individuals who are residents of a "qualified foreign country" or foreign corporations that satisfy the Country of Organization Requirement and the Publicly-Traded Test, which the Company refers to as the 50% Ownership Test.

The U.S. Treasury Department has recognized Bermuda, the country of incorporation of the Company and certain of its subsidiaries, as a "qualified foreign country". In addition, the U.S. Treasury Department has recognized Denmark, Canada, Greece, the Marshall Islands, Singapore, British Virgin Islands and Cyprus, the countries of incorporation of certain of the Company's vessel-owning subsidiaries, as "qualified foreign countries". Accordingly, the Company and its vessel-owning subsidiaries satisfy the Country of Organization Requirement. Therefore, the Company's eligibility to qualify for exemption under Section 883 is wholly dependent upon being able to satisfy one of the stock ownership requirements.

As discussed below, for the 2025 taxable year we believe the Company satisfied the Publicly-Traded Test, since on more than half the days in the taxable year we believe the Company's common shares were primarily and regularly traded on Nasdaq, an established securities market in the United States.

As to the Publicly-Traded Test, the Treasury Regulations under Section 883 provide, in pertinent part, that stock of a foreign corporation will be considered to be "primarily traded" on an established securities market in a country if the number of shares of each class of stock that is traded during any taxable year on all established securities markets in that country exceeds the number of shares in each such class that is traded during that year on established securities markets in any other single country. The Publicly-Traded Test also requires our common shares be "regularly traded" on an established securities market. Under the Treasury Regulations, our common shares are considered to be "regularly traded" on an established securities market if shares representing more than 50% of our outstanding common shares, by both total combined voting power of all classes of stock entitled to vote and total value, are listed on the market, referred to as the "listing threshold". The Treasury Regulations further require that with respect to each class of stock relied upon to meet the listing threshold (i) such class of stock is traded on the market, other than in minimal quantities, on at least 60 days during the taxable year or 1/6 of the days in a short taxable year, which is referred to as the "trading frequency test", and (ii) the aggregate number of shares of such class of stock traded on such market during the taxable year is at least 10% of the average number of shares of such class of stock outstanding during such year (as appropriately adjusted in the case of a short taxable year), which is referred to as the "trading volume test". Even if we do not satisfy both the trading frequency and trading volume tests, the Treasury Regulations provide that the trading frequency and trading volume tests will be deemed satisfied if our common shares are traded on an established securities market in the United States and such stock is regularly quoted by dealers making a market in our common shares, such as the Nasdaq Capital Market, on which our common shares are listed.

Notwithstanding the foregoing, our common shares will not be considered to be regularly traded on an established securities market for any taxable year in which 50% or more of the vote and value of the outstanding common shares are owned, actually or constructively under certain stock attribution rules, on more than half the days during the taxable year by persons who each own 5% or more of the value of our common shares, which we refer to as the 5 Percent Override Rule.

In order to determine the persons who actually or constructively own 5% or more of our common shares, or 5% Shareholders, we are permitted to rely on those persons that are identified on Schedule 13G and Schedule 13D filings with the U.S. Securities and Exchange Commission as having a 5% or more beneficial interest in our common shares. In addition, an investment company identified on a Schedule 13G or Schedule 13D filing which is registered under the Investment Company Act of 1940, as amended, will not be treated as a 5% Shareholder for such purposes.

For our 2025 taxable year, we do not believe that we were subject to the 5 Percent Override Rule and, therefore, we believe that we satisfied the Publicly-Traded Test. There are, however, factual circumstances beyond our control that could cause the Company to lose the benefit of the Section 883 exemption and thereby become subject to U.S. federal income tax on its U.S. source shipping income. There is, therefore, a risk that the Company could no longer qualify for exemption under Section 883 for a particular taxable year if 5% Shareholders were to own 50% or more of the outstanding common shares of the Company on more than half the days during the taxable year. Due to the factual nature of the issues involved, there can be no assurances as to the tax-exempt status of the Company or any of its subsidiaries.

In the event the 5 Percent Override Rule is triggered, the 5 Percent Override Rule will nevertheless not apply if we can establish that among the closely-held group of 5% Shareholders, there are sufficient 5% Shareholders that are considered to be "qualified shareholders" for purposes of Section 883 to preclude non-qualified 5% Shareholders in the closely-held group from owning 50% or more of our common shares for more than half the number of days during the taxable year.

In any year that the 5 Percent Override Rule is triggered with respect to us, we are eligible for the exemption from tax under Section 883 only if we can nevertheless satisfy the Publicly-Traded Test (which requires, among other things, showing that the exception to the 5 Percent Override Rule applies) or if we can satisfy the 50% Ownership Test. In either case, certain substantiation and reporting requirements regarding the identity of our shareholders must be satisfied in order to qualify for the Section 883 exemption. These requirements are onerous and there is no assurance that we would be able to satisfy them.

Taxation in Absence of the Section 883 Exemption To the extent the benefits of Section 883 are unavailable with respect to any item of U.S. source income, the Company's U.S. source shipping income, to the extent not considered to be "effectively connected" with the conduct of a U.S. trade or business, as described below, would be subject to a 4% tax imposed by Section 887 of the Code on a gross basis, without the benefit of deductions, which we refer to as the "4% gross basis tax regime". Since, under the sourcing rules described above, no more than 50% of the Company's shipping income would be treated as being derived from U.S. sources, the maximum effective rate of U.S. federal income tax on the Company's shipping income, to the extent not considered to be "effectively connected" with the conduct of a U.S. trade or business, would never exceed 2% under the 4% gross basis tax regime.

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

- we have, or are considered to have, a fixed place of business in the United States involved in the earning of U.S. source shipping income; and
- substantially all of our U.S. source shipping income were attributable to regularly scheduled transportation, such as the operation of a vessel that followed a published schedule with repeated sailings at regular intervals between the same points for voyages that begin or end in the United States, or, in the case of income from the chartering of a vessel, were attributable to a fixed place of business in the United States.

We do not have, nor will we permit circumstances that would result in having, any vessel sailing to or from the United States on a regularly scheduled basis. Based on the foregoing and on the expected mode of our shipping operations and other activities, we believe that none of our U.S. source shipping income is or will be "effectively connected" with the conduct of a U.S. trade or business.

Gain on Sale of Vessels

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

Taxation of U.S. Holders

The following is a discussion of the material U.S. federal income tax considerations relevant to an investment decision by a U.S. Holder, as defined below, with respect to our common shares. This discussion does not purport to deal with the tax consequences of owning our common shares to all categories of investors, some of which may be subject to special rules. You are encouraged to consult your own tax advisors concerning the overall tax consequences arising in your own particular situation under U.S. federal, state, local or foreign law of the ownership of our common shares.

As used herein, the term U.S. Holder means a beneficial owner of our common shares that (i) is a U.S. citizen or resident, a U.S. corporation or other U.S. entity taxable as a corporation, an estate, the income of which is subject to U.S. federal income taxation regardless of its source, or a trust if (a) a court within the United States is able to exercise primary jurisdiction over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust or (b) the trust has in effect a valid election to be treated as a United States person for U.S. federal income tax purposes, (ii) owns our common shares as a capital asset, generally, for investment purposes, and (iii) owns less than 10% of our common shares for U.S. federal income tax purposes.

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

Distributions

Subject to the discussion below of passive foreign investment companies, or PFICs, any distributions made by us with respect to our common shares to a U.S. Holder will generally constitute dividends, which may be taxable as ordinary income or “qualified dividend income” as described in more detail below, to the extent of our current or accumulated earnings and profits, as determined under U.S. federal income tax principles. Distributions in excess of our earnings and profits will be treated first as a nontaxable return of capital to the extent of the U.S. Holder’s tax basis in his common shares on a dollar-for-dollar basis and thereafter as capital gain. Because we are not a U.S. corporation, U.S. Holders that are corporations will generally not be entitled to claim a dividends-received deduction with respect to any distributions they receive from us.

Dividends paid on our common shares to a U.S. Holder who is an individual, trust or estate, which we refer to as a U.S. Individual Holder, will generally be treated as “qualified dividend income” that is taxable to such U.S. Individual Holders at preferential tax rates provided that (1) the common shares are readily tradable on an established securities market in the United States (such as the Nasdaq Capital Market, on which our common shares are listed); (2) we are not a PFIC for the taxable year during which the dividend is paid or the immediately preceding taxable year (see discussion below); and (3) the U.S. Individual Holder has owned the common shares for more than 60 days in the 121-day period beginning 60 days before the date on which the common shares become ex-dividend.

There is no assurance that any dividends paid on our common shares will be eligible for these preferential rates in the hands of a U.S. Individual Holder. Any dividends paid by the Company which are not eligible for these preferential rates will be taxed as ordinary income to a U.S. Individual Holder.

Sale, Exchange or other Disposition of Common Shares

Assuming we do not constitute a PFIC for any taxable year, a U.S. Holder generally will recognize taxable gain or loss upon a sale, exchange or other disposition of our common shares in an amount equal to the difference between the amount realized by the U.S. Holder from such sale, exchange or other disposition and the U.S. Holder’s tax basis in such common shares. Such gain or loss will be treated as long-term capital gain or loss if the U.S. Holder’s holding period in the common shares is greater than one year at the time of the sale, exchange or other disposition. Otherwise, it will be treated as short-term capital gain or loss. A U.S. Holder’s ability to deduct capital losses is subject to certain limitations.

Passive Foreign Investment Company Status and Significant Tax Consequences

Special U.S. federal income tax rules apply to a U.S. Holder that holds stock in a foreign corporation classified as a PFIC for U.S. federal income tax purposes. In general, we will be treated as a PFIC with respect to a U.S. Holder if, for any taxable year in which such holder held our common shares, either at least 75% of our gross income for such taxable year consists of “passive income” (e.g., dividends, interest, capital gains and rents derived other than in the active conduct of a rental business), or at least 50% of the average value of the assets held by the corporation during such taxable year produce, or are held for the production of, “passive income”. For purposes of determining whether we are a PFIC, we will be treated as earning and owning our proportionate share of the income and assets, respectively, of any of our subsidiary corporations in which we own at least 25% of the value of the subsidiary’s stock. Income earned, or deemed earned, by us in connection with the performance of services would not constitute passive income. By contrast, rental income would generally constitute “passive income” unless we were treated under specific rules as deriving our rental income in the active conduct of a trade or business.

Although there is no legal authority directly on point, we believe that, for purposes of determining whether we are a PFIC, the gross income we derive or are deemed to derive from the time chartering activities of our wholly-owned subsidiaries more likely than not constitutes services income, rather than rental income. Correspondingly, we believe that such income does not constitute “passive income”, and the assets that we or our wholly-owned subsidiaries own and operate in connection with the production of such income, in particular, the vessels, do not constitute passive assets for purposes of determining whether we are a PFIC. We believe there is substantial legal authority supporting our position consisting of case law and Internal Revenue Service, or IRS, pronouncements concerning the characterization of income derived from time charters and voyage charters as services income for other tax purposes. This position is principally based upon the positions that our time charter income will constitute services income, rather than rental income for other tax purposes. Based on our current and anticipated chartering activities, we do not believe that we will be treated as a PFIC for the current or future taxable years, although no assurance can be given in this regard. We intend to take the position that we were not treated as a PFIC for our 2025 taxable year.

We note that there is no direct legal authority under the PFIC rules addressing our current and proposed method of operation. In addition, although we intend to conduct our affairs in a manner to avoid being classified as a PFIC with respect to any taxable year, we cannot assure you that the nature of our operations will not change in the future. Accordingly, no assurance can be given that the IRS or a court of law will accept our position, and there is a significant risk that the IRS or a court of law could determine that we are a PFIC.

As discussed more fully below, if we were to be treated as a PFIC for any taxable year, a U.S. Holder would be subject to different taxation rules depending on whether the U.S. Holder makes an election to treat us as a “Qualified Electing Fund”, which election we refer to as a QEF Election. As an alternative to making a QEF election, a U.S. Holder should be able to make a “mark-to-market” election with respect to our common shares, as discussed below, and which election we refer to as a Mark-to-Market Election.

Taxation of U.S. Holders Making a Timely QEF Election

If we were to be treated as a PFIC for any taxable year and a U.S. Holder makes a timely QEF Election, which U.S. Holder we refer to as an Electing Holder, the Electing Holder must report each year for U.S. federal income tax purposes its pro rata share of our ordinary earnings and our net capital gain, if any, for our taxable year that ends with or within the taxable year of the Electing Holder, regardless of whether or not distributions were received from us by the Electing Holder. The Electing Holder’s adjusted tax basis in the common shares will be increased to reflect taxed but undistributed earnings and profits. Distributions of earnings and profits that had been previously taxed will result in a corresponding reduction in the adjusted tax basis in the common shares and will not be taxed again once distributed. A U.S. Holder would make a QEF Election with respect to any taxable year that we are a PFIC by filing one copy of IRS Form 8621 with its U.S. federal income tax return. To make a QEF Election, a U.S. Holder must receive annually certain tax information from us. There can be no assurances that we will be able to provide such information annually. An Electing Holder would generally recognize capital gain or loss on the sale, exchange or other disposition of our common shares.

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

Alternatively, if we were to be treated as a PFIC for any taxable year and, as we anticipate, our common shares are treated as “marketable stock”, a U.S. Holder would be permitted to make a Mark-to-Market Election with respect to our common shares, provided the U.S. Holder completes and files IRS Form 8621 in accordance with the relevant instructions and related Treasury Regulations. If that election is made, the U.S. Holder generally would include as ordinary income in each taxable year the excess, if any, of the fair market value of the common shares at the end of the taxable year over such holder’s adjusted tax basis in the common shares. The U.S. Holder would also be permitted an ordinary loss in respect of the excess, if any, of the U.S. Holder’s adjusted tax basis in the common shares over its fair market value at the end of the taxable year, but only to the extent of the net amount previously included in income as a result of the Mark-to-Market Election. A U.S. Holder’s tax basis in its common shares would be adjusted to reflect any such income or loss amount. Gain realized on the sale, exchange or other disposition of our common shares would be treated as ordinary income, and any loss realized on the sale, exchange or other disposition of the common shares would be treated as ordinary loss to the extent that such loss does not exceed the net mark-to-market gains previously included in income by the U.S. Holder.

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

Finally, if we were to be treated as a PFIC for any taxable year, a U.S. Holder who does not make either a QEF Election or a Mark-to-Market Election for that year, whom we refer to as a Non-Electing Holder, would be subject to special rules with respect to (1) any excess distribution (i.e., the portion of any distributions received by the Non-Electing Holder on our common shares in a taxable year in excess of 125% of the average annual distributions received by the Non-Electing Holder in the three preceding taxable years, or, if shorter, the Non-Electing Holder's holding period for the common shares), and (2) any gain realized on the sale, exchange or other disposition of our common shares. Under these special rules:

- the excess distribution or gain would be allocated ratably over the Non-Electing Holders' aggregate holding period for the common shares;
- the amount allocated to the current taxable year and any taxable years before the Company became a PFIC would be taxed as ordinary income; and
- the amount allocated to each of the other taxable years would be subject to tax at the highest rate of tax in effect for the applicable class of taxpayer for that year, and an interest charge for the deemed deferral benefit would be imposed with respect to the resulting tax attributable to each such other taxable year.

These penalties would not apply to a pension or profit-sharing trust or other tax-exempt organization that did not borrow funds or otherwise utilize leverage in connection with its acquisition of our common shares. If we were a PFIC, and a Non-Electing Holder who is an individual died while owning our common shares, such holder's successor generally would not receive a step-up in tax basis with respect to such common shares.

Taxation of Non-U.S. Holders

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

Dividends on Common Shares

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

Sale, Exchange or Other Disposition of Common Shares

Non-U.S. Holders generally will not be subject to U.S. federal income or withholding tax on any gain realized upon the sale, exchange or other disposition of our common shares, unless:

- the gain is effectively connected with the Non-U.S. Holder's conduct of a trade or business in the United States (and, if the Non-U.S. Holder is entitled to the benefits of an income tax treaty with respect to that gain, that gain is attributable to a permanent establishment maintained by the Non-U.S. Holder in the United States); or
- the Non-U.S. Holder is an individual who is present in the United States for 183 days or more during the taxable year of disposition and other conditions are met.

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

Backup Withholding and Information Reporting

In general, dividend payments, or other taxable distributions, made within the United States to you will be subject to information reporting requirements. Such payments will also be subject to “backup withholding” if you are a non-corporate U.S. Holder and you:

- fail to provide an accurate taxpayer identification number;
- are notified by the IRS that you have failed to report all interest or dividends required to be shown on your U.S. federal income tax returns; or
- in certain circumstances, fail to comply with applicable certification requirements.
- Non-U.S. Holders may be required to establish their exemption from information reporting and backup withholding by certifying their status on an applicable IRS Form W-8.

If you are a Non-U.S. Holder and you sell your common shares to or through a U.S. office of a broker, the payment of the proceeds is subject to both U.S. backup withholding and information reporting unless you certify that you are a non-U.S. person, under penalties of perjury, or otherwise establish an exemption. If you sell your common shares through a non-U.S. office of a non-U.S. broker and the sales proceeds are paid to you outside the United States, then information reporting and backup withholding generally will not apply to that payment. However, U.S. information reporting, but not backup withholding, will apply to a payment of sales proceeds, including a payment made to you outside the United States, if you sell your common shares through a non-U.S. office of a broker that is a U.S. person or has some other contacts with the United States. Such information reporting requirements will not apply, however, if the broker has documentary evidence that you are a non-U.S. person and certain other conditions are met, or you otherwise establish an exemption.

Backup withholding is not an additional tax. Rather, you generally may obtain a refund of any amounts withheld under backup withholding rules that exceed your income tax liability by filing a refund claim with the IRS.

Other U.S. Information Reporting Obligations

Individuals who are U.S. Holders (and to the extent specified in applicable Treasury regulations, certain individuals who are Non-U.S. Holders and certain U.S. entities) who hold “specified foreign financial assets” (as defined in Section 6038D of the Code) are required to file IRS Form 8938 with information relating to the asset for each taxable year in which the aggregate value of all such assets exceeds \$75,000 at any time during the taxable year or \$50,000 on the last day of the taxable year (or such higher dollar amount as prescribed by applicable Treasury regulations). Specified foreign financial assets would include, among other assets, our common shares, unless the shares are held through an account maintained with a U.S. financial institution. Substantial penalties apply to any failure to timely file IRS Form 8938, unless the failure is shown to be due to reasonable cause and not due to willful neglect. Additionally, in the event an individual U.S. Holder (and to the extent specified in applicable Treasury regulations, an individual Non-U.S. Holder or a U.S. entity) that is required to file IRS Form 8938 does not file such form, the statute of limitations on the assessment and collection of U.S. federal income taxes of such holder for the related tax year may not close until three years after the date that the required information is filed. U.S. Holders (including U.S. entities) and Non-U.S. Holders are encouraged to consult their own tax advisors regarding their reporting obligations under this legislation.

Changes in Global Tax Laws

Long-standing international tax initiatives that determine each country’s jurisdiction to tax cross-border international trade and profits are evolving as a result of, among other things, initiatives such as the Anti-Tax Avoidance Directives, as well as the Base Erosion and Profit Shifting reporting requirements, mandated and/or recommended by the EU, G8, G20 and Organization for Economic Cooperation and Development, including the imposition of a minimum global effective tax rate for multinational businesses regardless of the jurisdiction of operation and where profits are generated (Pillar Two). As these and other tax laws and related regulations change (including changes in the interpretation, approach and guidance of tax authorities), our financial results could be materially impacted. Given the unpredictability of these possible changes and their potential interdependency, it is difficult to assess whether the overall effect of such potential tax changes would be cumulatively positive or negative for our earnings and cash flow, but such changes could adversely affect our financial results.

On December 12, 2022, the European Union member states agreed to implement the OECD’s Pillar Two global corporate minimum tax rate of 15% on companies with revenues of at least €750 million effective from 2024. Various countries have either adopted implementing legislation or are in the process of drafting such legislation. Any new tax law in a jurisdiction where we conduct business or pay tax could have a negative effect on our company.

ITEM 1A. RISK FACTORS

An investment in our securities involves a high degree of risk. You should consider carefully the material risks described below, which we believe represent the material risks related to our business and our securities, together with the other information contained in this Form 10-K, before making a decision to invest in our securities. This Form 10-K also contains forward-looking statements that involve risks and uncertainties. In connection with such forward looking statements, you should also carefully review the cautionary statements referred to under “Special Note Regarding Forward Looking Statements.” Our actual results could differ materially from those anticipated in the forward-looking statements as a result of specific factors, including the risks described below.

Summary of Risk Factors

- The cyclical and volatile nature of the seaborne drybulk transportation industry may lead to significant decreases in charter and freight rates, which may have an adverse effect on our revenues, earnings and profitability and our ability to comply with our loan covenants.
- Our business is affected by macroeconomic conditions, including rising inflation, interest rates, market volatility, economic uncertainty, and supply chain constraints, and global economic conditions may negatively impact the drybulk shipping industry.
- The invasion of Ukraine by Russia and the resulting sanctions imposed by the United States, the European Union and other countries have contributed to inflation, market disruptions and increased volatility in commodity prices and global financial markets. Escalating geopolitical tensions in the Middle East, including the crisis involving Iran, may further disrupt global trade routes, increase energy and fuel costs, and adversely affect global economic conditions.
- The market values of our owned vessels may decrease, which could limit the amount of funds that we can borrow or cause us to breach certain covenants in our credit facilities and we may incur impairment or a loss if we sell vessels following a decline in their market value.
- The state of the global financial markets and economic conditions may adversely impact our ability to obtain additional financing on acceptable terms and otherwise negatively impact our business.
- Changes in the economic and political environment in China and policies adopted by the government to regulate its economy may have a material adverse effect on our business, financial condition and results of operations.
- Our revenues are subject to seasonal fluctuations, which could affect our operating results and our ability to pay dividends, if any, in the future.
- If our vessels call on ports located in countries or territories or carry cargo that is the subject of sanctions or embargoes imposed by the U.S., the European Union, the United Nations, or other governmental authorities, it could lead to monetary fines or penalties and may adversely affect our reputation and the market for our securities.
- We are subject to complex laws and regulations, including environmental regulations that can adversely affect the cost, manner or feasibility of doing business.
- Changes in fuel prices, that may result from increased oil prices, may adversely affect our profitability.
- In the highly competitive international shipping industry, we may not be able to compete successfully for chartered-in vessels or for vessel employment and, as a result, we may be unable to charter-in vessels at reasonable rates or employ our vessels profitably.
- Increasing scrutiny and changing expectations from investors, lenders and other market participants with respect to our Environmental, Social and Governance (“ESG”) policies may impose additional costs on us or expose us to additional risks.
- We depend upon a few significant customers for a large part of our revenues and cash flow, and the loss of one or more of these customers could adversely affect our financial performance.
- We are subject to certain risks with counterparties on contracts and the failure of such counterparties to meet their obligations could cause us to suffer losses or otherwise adversely affect our business and ability to comply with covenants in our loan agreements, which could impose operating and financial restrictions on us.
- Obligations associated with being a public company require significant company resources and management attention, and we incur increased costs as a result of being a public company.
- Because we purchase and operate secondhand vessels, we may be exposed to increased operating costs which could adversely affect our earnings and, as our fleet ages, the risks associated with older vessels could adversely affect our ability to obtain profitable charters.
- Our ability to obtain additional debt financing, or to refinance existing indebtedness, may be dependent on the performance and length of our charter contracts and the creditworthiness of our contract counterparties.
- We depend on our Chief Executive Officer, Chief Operating Officer, Chief Financial Officer and other key employees, and the loss of their services would have a material adverse effect on our business, results and financial condition.
- Exposure to currency exchange rate fluctuations will result in fluctuations in our cash flows and operating results.

- United States tax authorities could treat us as a “passive foreign investment company,” which could have adverse United States federal income tax consequences to U.S. holders.
- Volatility in the broader securities markets and trading volume of our common shares could adversely impact the trading price of our common shares.
- Because we are a foreign corporation, you may not have the same rights that a shareholder in a U.S. corporation may have, and it may not be possible for our investors to enforce U.S. judgments against us.

Risks Relating to our Industry

The seaborne drybulk transportation industry is cyclical and volatile, and this may lead to reductions in our charter hire rates, vessel values and results of operations.

The international seaborne drybulk transportation industry is cyclical and volatile, and a lengthy downturn in the drybulk charter market could severely affect the entire drybulk shipping industry. The degree of charter and freight rate volatility for vessels has varied widely and is due to various factors, including changing crude oil prices, economic activity in the largest economies, including China, a strong U.S. Dollar and the associated weakening of other world currencies and the supply of available tonnage. A worsening of current global economic conditions may cause dry bulk charter rates to decline and thereby adversely affect our ability to charter or re-charter our vessels and any renewal or replacement charters that we enter into, may not be sufficient to allow us to operate our vessels profitably. In addition, the conflict in Ukraine has continued disrupting energy production grain exports and trade patterns, including shipping in the Black Sea and elsewhere, and its impact on such markets remains uncertain. Fluctuations in charter hire rates result from changes in the supply of and demand for vessel capacity and changes in the supply of and demand for energy resources, commodities, semi-finished and finished consumer and industrial products internationally carried at sea. If we enter into a charter when charter hire rates are low, our revenues and earnings will be adversely affected. In addition, a decline in charter hire rates is likely to cause the market value of our vessels to decline. We cannot assure you that we will be able to successfully charter our vessels in the future or renew our existing charters at rates sufficient to allow us to operate our business profitably, meet our obligations or pay dividends to our shareholders. The factors affecting the supply and demand for vessels are outside of our control, and the nature, timing and degree of changes in industry conditions are unpredictable.

Although our operating fleet is primarily chartered-in on a short-term basis and lower charter rates result in lower charter hire costs, changes in charter and freight rates in the drybulk market affect vessel values and earnings on our owned fleet, and may affect our cash flows, liquidity and ability to comply with the financial covenants in our loan agreements. An extended downturn in the drybulk carrier market may have adverse consequences. The value of our common shares could be substantially reduced under these circumstances.

We employ our vessels under a mix of voyage charters and time charters and COA’s which typically extend for varying lengths of time, from one month to ten years. As a result, we are exposed to changes in market rates for drybulk carriers and such changes may affect our earnings and the value of our owned drybulk carriers at any given time. A COA relates to the carriage of multiple cargoes over the same route and enables the COA holder to nominate different vessels to perform individual voyages. We may not be able to successfully employ our vessels in the future or renew existing contracts at rates sufficient to allow us to meet our obligations. We are also exposed to volatility in the market rates we pay to charter-in vessels. Fluctuations in charter and freight rates result from changes in the supply of and demand for vessel capacity and changes in the demand for seaborne carriage of commodities. Because the factors affecting the supply of and demand for vessels are outside of our control and are unpredictable, the nature, timing, direction and degree of changes in industry conditions are also unpredictable.

Factors that influence demand for vessel capacity include:

- supply of and demand for energy resources, commodities, semi-finished and finished consumer and industrial products;
- changes in the exploration or production of energy resources, commodities, semi-finished and finished consumer and industrial products;
- the location of regional and global exploration, production and manufacturing facilities;
- the location of consuming regions for energy resources, commodities, semi-finished and finished consumer and industrial products;
- availability of credit to finance international trade;
- the globalization of production and manufacturing;
- global and regional economic and political conditions, including armed conflicts, terrorist activities, sanctions, embargoes and strikes;
- natural disasters and other disruptions in international trade;

- disruptions and developments in international trade;
- changes in seaborne and other transportation patterns, including the distance cargo is transported by sea;
- changes in government or maritime self-regulatory organizations' rules and regulations or actions taken by regulatory authorities;
- environmental and other regulatory developments;
- currency exchange rates;
- international sanctions, embargoes, strikes, import and export restrictions, nationalizations, piracy, terrorist attacks and armed conflicts, including the ongoing Ukrainian-Russian and Israeli-Hamas conflicts;
- developments in international trade, including those relating to the imposition of tariffs;
- economic slowdowns, business disruptions, including supply chain issues due to natural, health, or other disasters, or otherwise;
- bunker (fuel) prices; and
- weather.

Demand for our vessels is dependent upon economic growth in the world's economies, seasonal and regional changes in demand, changes in the capacity of the global drybulk fleet and the sources and supply of drybulk cargo transported by sea. Although the current newbuilding orderbook (as a percentage of the on-the-water fleet) is at a historically low level, a pickup in new ordering could increase global capacity and there can be no assurance that economic growth will continue in order to absorb this higher supply. Adverse economic, political, social or other developments could have a material adverse effect on our business and operating results.

The factors that influence the supply of vessel capacity include:

- the number and size of newbuilding orders and deliveries, including slippage in deliveries;
- the number of shipyards and ability of shipyards to deliver vessels;
- port and canal congestion, including as the result of restrictions or reductions in the capacity of the Panama and Suez Canals due to environmental or geopolitical factors,
- bunker prices;
- the scrapping rate of older vessels;
- vessel casualties;
- speed of vessels being operated;
- technological advances in vessel design and capacity;
- the number of vessels that are out of service, namely those that are laid-up, dry-docked, awaiting repairs or otherwise not available for hire;
- availability of financing for new vessels;
- the price of steel and vessel equipment;
- national or international regulations that may effectively cause reductions in the carrying capacity of vessels or early obsolescence of tonnage;
- the imposition of expansion of sanctions;
- business disruptions, including supply chain disruptions, those related to the imposition of tariffs and congestion, and those related to natural or other disasters, and disruption of shipping routes due to accidents, political events or armed conflicts;
- product imbalances (affecting level of trading activity) and developments in international trade;
- changes in national or international regulations that may effectively cause reductions in the carrying capacity of vessels or early obsolescence of tonnage; and
- changes in environmental and other regulations that may limit the useful lives of vessels or requires technological developments not yet perfected for commercialization.

Furthermore, the conflict in Ukraine combined with inflationary pressures and/or supply chain disruptions across most major economies have negatively impacted certain of the countries in which we operate in and may lead to a global economic slowdown, which might in turn adversely affect demand for our vessels. In particular, the conflict in Ukraine and related sanctions measures imposed against Russia has continued to disrupt energy production and trade patterns, including shipping in the Black Sea and elsewhere, and has impacted the price of certain dry bulk goods, such as grain, as well as energy and fuel prices. Notably, various jurisdictions have imposed sanctions against Russia directly targeting the maritime transport of goods originating from Russia, such as of oil products and agricultural commodities such as potash. Such measures, and the response of targeted jurisdictions to them, have disrupted trade patterns of certain of the goods which we transport and have correspondingly impacted charter rates for the transport of such goods.

The ongoing conflict between Israel and Hamas, which commenced in October 2023, has resulted in a surge in acts of piracy and assaults on vessels in the Red Sea. According to reports from the U.S. military, three commercial vessels have been targeted in international waters in the southern Red Sea. Yemen's Houthi group has claimed responsibility for drone and missile strikes on two vessels near the Cape of Good Hope in southern Africa. These incidents have significantly extended the duration and expenses of voyages from east to west. While we cannot currently determine the immediate consequences of this conflict, the continued occurrence of attacks or piracy attempts, as well as the response from the United States, Great Britain, and other governments, or the continued diversion of vessels from the Suez Canal, may have an adverse impact on our business, financial condition, and operational outcomes.

In addition to the prevailing and anticipated charter and freight rates, factors that affect the rate of newbuilding, scrapping and laying-up include newbuilding prices, secondhand vessel values in relation to scrap prices, costs of bunker fuels and other operating costs, costs associated with classification society surveys, normal maintenance and insurance coverage, the efficiency and age profile of the existing drybulk fleet in the market and government and industry regulation of maritime transportation practices, particularly environmental protection laws and regulations. These factors influencing the supply of and demand for shipping capacity are outside of our control, and we may not be able to correctly assess the nature, timing and degree of changes in industry conditions.

We anticipate that the future demand for our drybulk carriers and our logistics services will be dependent upon economic growth in world economies and its associated industrial production, seasonal and regional changes in demand, changes in the capacity of the global drybulk carrier fleet and the sources and supply of drybulk cargoes to be transported by sea.

Our business is affected by macroeconomic conditions, including rising inflation, interest rates, market volatility, economic uncertainty, and supply chain constraints, and global economic conditions may negatively impact drybulk shipping industry.

Various macroeconomic factors could adversely affect our business and the results of our operations and financial condition, including changes in inflation, interest rates and overall economic conditions and uncertainties such as those resulting from the current and future conditions in the global financial markets. For instance, inflation has negatively impacted us by increasing our labor costs, through higher wages and higher interest rates, and operating costs. Supply chain constraints have led to higher inflation, which if sustained could have a negative impact on our operations. If inflation or interest rates were to significantly increase, our business operations may be negatively affected. Interest rates, the liquidity of the credit markets and the volatility of the capital markets could also affect the operation of our business and our ability to raise capital on favorable terms, or at all, in order to fund our operations.

We face risks attendant to changes in economic environments, changes in interest rates, increasing inflation and the resulting monetary policies of central governments, instability in the banking and securities markets and trade regulations around the world, among other factors. Major market disruptions and adverse changes in market conditions and regulatory climate in Venezuela, China, the United States, the European Union and worldwide may adversely affect our business or impair our ability to borrow amounts under credit facilities or any future financial arrangements.

Chinese dry bulk imports have accounted for the majority of global dry bulk transportation growth annually over the last decade. Accordingly, our financial condition and results of operations, as well as our future prospects, would likely be hindered by an economic downturn in any of these countries or geographic regions. In recent years China and India have been among the world's fastest growing economies in terms of gross domestic product, and any economic slowdown in the Asia Pacific region particularly in China or India may adversely affect demand for seaborne transportation of our products and our results of operations. Moreover, any deterioration in the economy of the United States or the European Union, may further adversely affect economic growth in Asia.

Economic growth is uncertain but any slowdown, including due to supply-chain disruption, high energy prices and a surge in inflation and related actions by central banks and geopolitical conditions, could result in a risk of recession in many parts of the world. In particular, an adverse change in economic conditions affecting China, Japan, India or Southeast Asia generally could have a negative effect on the drybulk market.

Variable rate indebtedness could subject us to interest rate risk, which could cause our debt service obligations to increase significantly.

Our credit facilities use variable interest rates and expose us to interest rate risk. If interest rates increase and we are unable to effectively hedge our interest rate risk, our debt service obligations on the variable rate indebtedness would increase even if the amount borrowed remained the same, and our profitability and cash available for servicing our indebtedness would decrease.

The invasion of Ukraine by Russia and resulting sanctions by the United States, European Union and other countries have contributed to inflation, market disruptions and increased volatility in commodity prices in the United States and a slowdown in global economic growth.

The invasion by Russia and resulting sanctions have had a broad range of adverse impacts on global business and financial markets some of which have had and may continue to have adverse impacts on our business. These include increased inflation, significant market disruptions and increased volatility in commodity prices such as corn, oil and natural gas. Although the duration and extent of the ongoing military conflict is highly unpredictable, and the magnitude of the potential economic impact is currently unknown, Russian military actions and resulting sanctions could have a negative effect on our financial condition and operating results.

The ongoing conflict between Russia and Ukraine poses a risk for global economic growth. Major economic sanctions against Russia are having a considerable impact on oil and gas prices, given the dependence of the EU on oil and gas exports out of Russia combined with limited spare capacity of such commodities globally. Energy prices have increased significantly, leading to major inflationary pressures in the major developed countries that rely heavily on oil and gas exports out of Russia. In addition, the combined Russia/Ukraine region account for approximately one quarter of global grain production, one of the main cargoes transported by dry bulk vessels, while coal and iron ore exports out of the region have also been reduced. The above factors can have a material negative impact on demand for dry bulk transportation, while slower economic growth could also negatively affect demand for dry bulk commodities in the rest of the world, leading to lower dry bulk freight rates.

Moreover, the conflict between Russia and Ukraine is having a profound impact on global commodities prices including grain and coal, two of the most important commodities for dry bulk shipping. Given the importance of the region in export volumes for both grains and coal, a prolonged stoppage could lead to significantly lower freight rates and thus a decline in freight futures prices. Although coal supplies could potentially be sourced from elsewhere partly mitigating the negative impact of the lost volumes, global grain production capacity is limited, and thus the impact of the lost volumes could not be easily mitigated. In addition, the recent geopolitical turmoil has led to an increase in government protectionism when it comes to commodities, and if such a trend continues, it could lead to lower bulk commodities trading globally over the long term. The impact of such a scenario on dry bulk shipping will be negative, leading to lower spot rates and as a result lower freight futures prices.

Any change in drybulk carrier capacity in the future may result in lower charter and freight rates which, in turn, will adversely affect our profitability.

The global drybulk fleet has increased significantly over the past 10 years as a result of the large number of newbuilding orders placed throughout this period. Scrapping of older ships has helped curtail some of this new supply growth, but it has not been enough to materially offset the large net growth in the fleet. Supply growth momentum has slowed significantly in recent years as less and less newbuilding orders have stabilized.

The market values of our owned vessels may decrease, which could limit the amount of funds that we can borrow or cause us to breach certain covenants in our credit facilities and we may incur impairment or a loss if we sell vessels following a decline in their market value.

The fair market values of our owned dry bulk vessels have generally experienced high volatility, and you should expect the market values of our vessels to fluctuate depending on a number of factors including:

- prevailing level of charter and freight rates;
- general economic and market conditions affecting the shipping industry;
- the balance between the supply of and demand for ships of a certain type;
- competition from other shipping companies and other modes of transportation;
- types, sizes and ages of vessels;
- supply of and demand for vessels;
- cost of newbuildings;
- scrap values;
- shipyard capacity;
- governmental and other regulations, including those that may limit the useful life of vessels;
- the prevailing level of charter rates;
- the need to upgrade secondhand and previously owned vessels as a result of environmental, safety, regulatory or charterer requirements; and
- technological advances.

In addition, as vessels grow older, they generally decline in value. If the market values of our owned vessels decrease, we may not be in compliance with certain covenants in our credit facilities secured by mortgages on our drybulk vessels unless we provide additional collateral or prepay a portion of the loan to a level where we are again in compliance with our loan covenants. We were in compliance with all covenants for the years ended December 31, 2025 and 2024. If we are not able to comply with the covenants in our loan facilities we may not be able to refinance our debt or obtain additional financing or incur debt on terms that are acceptable to us or at all. If we are not able to comply with the covenants in our loan facilities or are unable to obtain waivers or amendments or otherwise remedy the relevant breach, our lenders could accelerate our debt and foreclose on our vessels.

If we sell one or more of our vessels at a time when vessel prices have fallen and before we have recorded an impairment adjustment to our consolidated financial statements, the sale proceeds may be less than the vessel's carrying amount, resulting in a loss and a reduction in earnings. Conversely, if vessel values are elevated at a time when we wish to acquire additional vessels, the cost of acquisition may increase and this could adversely affect our business, results of operations, cash flow and financial condition.

The carrying amounts of vessels held and used by us are reviewed for potential impairment when events or changes in circumstances indicate that the carrying amount of a particular vessel may not be fully recoverable. In such instances, an impairment charge would be recognized if the estimate of the undiscounted future cash flows expected to result from the use of the vessel and its eventual disposition is less than the vessel's carrying amount. This assessment is made at the asset group level which represents the lowest level for which identifiable cash flows are largely independent of other groups of assets. The asset groups are defined by vessel size and classification.

The current state of the global financial markets and economic conditions may adversely impact our ability to obtain additional financing on acceptable terms and otherwise negatively impact our business.

Global financial markets can be volatile and a contraction in available credit may occur as economic conditions change. In recent years, operating businesses in the global economy have faced weakening demand for goods and services, deteriorating international liquidity conditions, and declining markets which lead to a general decline in the willingness of banks and other financial institutions to extend credit, particularly in the shipping industry. As the shipping industry is highly dependent on the availability of credit to finance and expand operations, it may be negatively affected by such changes and volatility.

Also, as a result of concerns about the stability of financial markets generally, and the solvency of counterparties specifically, the cost of obtaining money from the credit markets may increase if lenders increase interest rates, enact tighter lending standards, refuse to refinance existing debt at all or on terms similar to current debt, and reduce, or cease to provide funding to borrowers. Due to these factors, additional financing may not be available to the extent required, on acceptable terms or at all. If additional financing is not available when needed, or is available only on unfavorable terms, we may be unable to expand or meet our obligations as they come due or we may be unable to enhance our existing business, complete additional vessel acquisitions or otherwise take advantage of business opportunities as they arise.

Credit markets in the United States and Europe have in the past experienced significant contraction, deleveraging and reduced liquidity, and there is a risk that the U.S. federal government and state governments and European authorities continue to implement a broad variety of governmental action and/or new regulation of the financial markets. Global financial markets and economic conditions have been, and continue to be, disrupted and volatile. We face risks attendant to changes in economic environments, changes in interest rates, and instability in the banking and securities markets around the world, among other factors which may have a material adverse effect on our results of operations and financial condition and may cause the price of our common shares to decline.

As of December 31, 2025, our total outstanding indebtedness amounted to \$375.6 million across our credit facilities, financing obligations and finance lease liabilities.

Changes in the economic and political environment in China and policies adopted by the government to regulate its economy may have a material adverse effect on our business, financial condition and results of operations.

The Chinese economy differs from the economies of western countries in such respects as structure, government involvement, level of development, growth rate, capital reinvestment, allocation of resources, bank regulation, currency and monetary policy, rate of inflation and balance of payments position. Prior to 1978, the Chinese economy was a “planned economy”. Since 1978, increasing emphasis has been placed on the utilization of market forces in the development of the Chinese economy. Annual and five-year State Plans are adopted by the Chinese government in connection with the development of the economy. Although state-owned enterprises still account for a substantial portion of the Chinese industrial output, in general, the Chinese government is reducing the level of direct control that it exercises over the economy through State Plans and other measures. There is an increasing level of freedom and autonomy in areas such as allocation of resources, production, pricing and management and a gradual shift in emphasis to a “market economy” and enterprise reform. Limited price reforms were undertaken with the result that prices for certain commodities are principally determined by market forces. In addition, economic reforms may include reforms to the banking and credit sector and may produce a shift away from the export-driven growth model that has characterized the Chinese economy over the past few decades. Many of the reforms are unprecedented or experimental and may be subject to revision, change or abolition based upon the outcome of such experiments. The Chinese government may not continue to pursue a policy of economic reform. The level of imports to and exports from China could be adversely affected by the nature of the economic reforms pursued by the Chinese government, as well as by changes to existing pro-export economic policies. The level of imports to and exports from China may also be adversely affected by changes in political, economic and social conditions or other relevant policies of the Chinese government, such as changes in laws, regulations or export and import restrictions, internal political instability, changes in currency policies, changes in trade policies and territorial or trade disputes, all of which could adversely affect our business, operating results and financial condition and cash flows.

In recent years, China and the United States have implemented certain increasingly protective trade measures with continuing trade tensions, including significant tariff increases, between these countries. A decrease in the level of imports to and exports from China could adversely affect our business, operating results and financial condition.

In addition, in September 2020 President Xi Jinping committed his country to achieving carbon neutrality by 2060 at the UN General Assembly, despite that carbon emissions are currently a prominent part of China’s economic and industrial structure as it relies heavily on renewable energy sources, generally lacks energy efficiency, and has a rapidly growing energy demand. Depending on how China attempts to achieve carbon neutrality by 2060, including through the reduction in the use of coal, an overall increase in the use of renewable energy as part of the energy consumption mix and through other means and any reduction in the demand for coal and related products could have a material adverse effect on our business, cash flows and results of operations.

Acts of piracy on ocean-going vessels could adversely affect our business.

Acts of piracy have historically affected ocean-going vessels trading in regions of the world such as the South China Sea, the Indian Ocean and in the Gulf of Aden off the coast of Somalia and, in particular, the Gulf of Guinea region off Nigeria, which experienced increased incidents of piracy in recent years. Sea piracy incidents continue to occur, increasingly in the Sulu Sea and the Gulf of Guinea, with drybulk vessels particularly vulnerable to such attacks. In the past, political conflicts have also resulted in attacks on vessels, mining of waterways and other efforts to disrupt international shipping particularly in the Arabian Gulf region and most recently in the Black Sea in connection with the ongoing Ukraine-Russia conflict and in the Red Sea in connection with Israeli-Hamas conflict. Commercial vessels have been attacked in international waters in the southern Red Sea, according to statements by the U.S. military, with Yemen’s Houthi group claiming drone and missile attacks on two Israeli vessels in the area, in response to the ongoing conflict in the region. The perception that our vessels are a potential piracy or terrorist target could have a material adverse impact on our business, financial condition and results of operations.

Further, if these piracy attacks occur in regions in which our vessels are deployed that insurers characterize as “war risk” zones or by the Joint War Committee as “war and strikes” listed areas, premiums payable for such coverage could increase significantly and such insurance coverage may be more difficult to obtain, if available at all. In addition, crew costs, including costs that may be incurred to the extent we employ on-board security guards, could increase in such circumstances. We may not be adequately insured to cover losses from these incidents, which could have a material adverse effect on us. In addition, detention hijacking as a result of an act of piracy against our vessels, or an increase in cost, or unavailability of insurance for our vessels, could have a material adverse impact on our business, results of operations, cash flows and financial condition, and this may result in loss of revenues, increased costs and decreased cash flows to our customers, which could impair their ability to make payments to us under our charters.

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

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

Our operations outside the United States expose us to global risks, such as political instability, terrorist attacks, international hostilities, economic sanctions or other trade restrictions, and global public health concerns, which may affect the seaborne transportation industry and adversely affect our business.

We conduct most of our operations outside of the United States, and our business, results of operations, cash flows, financial condition and ability to pay dividends, if any, in the future may be adversely affected by changing economic, political and government conditions in the countries and regions where our vessels are employed or registered. Moreover, we operate in a sector of the economy that is likely to be adversely impacted by the effects of political conflicts, including the current political instability in Venezuela, Ukraine, the Middle East and the South China Sea region and other geographic countries and areas, geopolitical events such as terrorist or other attacks, and war (or threatened war) or international hostilities, such as those between the United States and Iran or North Korea. Terrorist attacks as well as the frequent incidents of terrorism in the Middle East, and the continuing response of the United States and others to these attacks, as well as the threat of future terrorist attacks around the world, continues to cause uncertainty in the world's financial markets and may affect our business, operating results and financial condition. As a result of the above, insurers have increased premiums and reduced or restricted coverage for losses caused by terrorist acts generally. These uncertainties could also adversely affect our ability to obtain additional financing on terms acceptable to us or at all. Any of these occurrences could have a material adverse impact on our operating results, revenues and costs.

Beginning in February of 2022, the United States, the United Kingdom and the European Union, among other countries, announced various economic sanctions against Russia in connection with the conflict in Ukraine. The ongoing conflict could result in the imposition of further economic sanctions or new categories of export restrictions against individuals or entities to Russia. While in general much uncertainty remains regarding the global impact of the conflict in Ukraine, and any potential resolution thereof, it is possible that such tensions could adversely affect the Company's business, financial condition, operating results and cash flows.

The United States has issued several Executive Orders that prohibit certain transactions relating to Russia, including prohibitions on the importation of certain Russian energy products into the United States, (including crude oil, petroleum, petroleum fuels, oils, liquefied natural gas and coal), and all new investments in Russia by U.S. persons, among other prohibitions and export controls, and has issued numerous determinations authorizing the imposition of sanctions on persons who operate or have operated in the energy, metals and mining, and marine sectors of the Russian Federation economy, among others. Increased restrictions on these sectors, or the expansion of sanctions to new sectors, may pose additional risks that could adversely affect our business and operations.

Furthermore, the United States, in conjunction with the G7, have implemented a Russian petroleum “price cap policy” which prohibits a variety of specified services related to the maritime transport of Russian Federation origin crude oil and petroleum products, including trading/commodities brokering, financing, shipping, insurance (including reinsurance and protection and indemnity), flagging, and customs brokering. An exception exists to permit such services when the price of the seaborne Russian oil does not exceed the relevant price cap; but implementation of this price exception relies on a recordkeeping and attestation process that requires each party in the supply chain of seaborne Russian oil to demonstrate or confirm that oil has been purchased at or below the price cap. Further, effective as of February 27, 2025, the United States has also prohibited the provision of petroleum services by U.S. persons to persons located in Russia. An exception exists for the provision of petroleum services in certain specified circumstances, including for the provision of services for products purchased at or below the aforementioned price caps. As of September 2025, the EU, UK and Canada also agreed to lower their price cap on Russian crude oil from \$60 to \$47.60 per barrel, and which was further reduced to \$44.10 effective February 1, 2026, based on an automatic dynamic pricing adjustment setting the cap at 15% below the average market price for Russian crude oil during the relevant reference period. Violations of the petroleum services or the price cap policy, including the risk that information, documentation, or attestations provided by parties in the supply chain are later determined to be false may pose additional risks adversely affecting our business. While much uncertainty remains, the potential that the EU, in conjunction with the G7, might replace the price cap policy in favor of a full maritime services ban for Russian crude oil exports and/or other petroleum products may also pose further risks that could adversely affect our business.

Our business could also be adversely impacted by trade tariffs, trade embargoes or other economic sanctions that limit trading activities between the United States or other countries and countries in the Middle East, Asia or elsewhere as a result of terrorist attacks, hostilities or diplomatic or political pressures, including as a result of ongoing tensions involving Russia, Iran, and China and the current conflicts in the Middle East.

Governments may also turn to trade barriers to protect their domestic industries against foreign imports, thereby depressing shipping demand. Protectionist developments, or the perception that they may occur, may have a material adverse effect on global economic conditions, and may significantly reduce global trade. Moreover, increasing trade protectionism may cause an increase in (a) the cost of goods exported from regions globally, (b) the length of time required to transport goods and (c) the risks associated with exporting goods. Such increases may significantly affect the quantity of goods to be shipped, shipping time schedules, voyage costs and other associated costs, which could have an adverse impact on our charterers’ business, operating results and financial condition and could thereby affect their ability to make timely charter hire payments to us. This could have a material adverse effect on our business, financial condition and operating results.

In particular, there is significant uncertainty about the future relationship between the United States and China and other exporting countries, such as Canada, Mexico, and the European Union, among others, with respect to trade policies, treaties, government regulations, and tariffs, some of which remain subject to legal challenge. For example, in April 2025, the Office of the USTR enacted vessel service fees under Section 301 of the Trade Act of 1974 which were imposed as scheduled beginning on October 14, 2025, but were suspended for one year as of November 10, 2025 as a result of broader trade negotiations between the United States and China, after China’s Ministry of Transport had announced retaliatory port fees applicable to certain vessels calling at Chinese ports that were built or flagged in the United States or owned or operated by certain U.S.-linked persons. China’s retaliatory service fees on United States vessels were also suspended for a period of one year on the same date. On February 20, 2026, President Trump invoked a flat tariff of 10%, which was subsequently increased to 15% the following day, on almost all U.S. imports under Section 122 of the Trade Act of 1974, which allows for temporary import surcharges. The temporary import surcharge took effect on February 24, 2026.

Given the magnitude of these port-related fees and the many uncertainties surrounding their implementation, it is not possible at this time to fully predict the ultimate financial impact to the Company. However, if these fees continue to be levied, port fees for our vessels or vessels we charter and our operating costs for voyages calling at United States or Chinese ports could materially increase, which could have an adverse effect on our business, financial condition, and results of operations.

In addition, public health threats and highly communicable disease or virus outbreaks in various parts of the world in which we operate, could adversely impact our operations, the timing of completion of scheduled dry-dockings and ballast water treatment system installation projects, as well as the operations of our customers.

Any of these occurrences could have a material adverse impact on our future performance, results of operations, cash flows and financial position.

Our revenues are subject to seasonal fluctuations, which could affect our operating results and our ability to pay dividends, if any, in the future.

We operate our drybulk vessels in markets that have historically exhibited seasonal variations in demand and, as a result, in charter and freight rates. This seasonality may result in quarter-to-quarter volatility in our operating results, which could affect our ability to pay dividends, if any, in the future. The drybulk carrier market is typically stronger in the fall and winter months due to demand increases arising from agricultural harvest and increased coal demand in preparation for winter in the Northern Hemisphere. In addition, unpredictable weather patterns in these months tend to disrupt vessel scheduling and supplies of certain commodities. This seasonality may adversely affect our operating results and our ability to pay dividends, if any, in the future.

Risks associated with operating ocean-going vessels could affect our business and reputation, which could adversely affect our revenues and the price of our common shares.

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

- a marine accident or disaster;
- environmental accidents and pollution;
- cargo and property losses or damage;
- damage to the environment, including through spillage of fuel, lubricants or other chemicals and substances used in operations;
- business interruptions caused by mechanical failure, grounding, fire, explosions and collisions, human error, war, terrorism, diseases, political action in various countries, labor strikes or adverse weather conditions; and
- piracy.

These hazards may result in death or injury to persons, loss of revenues or property, the payment of ransoms, environmental damage, higher insurance rates, damage to our customer relationships and market disruptions, delay or rerouting, any of which may subject us to litigation. As a result, we could be exposed to substantial liabilities not recoverable under our insurances. Further, the involvement of our vessels in an environmental disaster may harm our reputation as a safe and reliable vessel owner and operator. Any of these circumstances or events could increase our costs or lower our revenues.

If our vessels suffer damage, they may need to be repaired at a drydocking facility. The costs of drydock repairs are unpredictable and may be substantial. We may have to pay drydocking costs that our insurance does not cover at all or in full. The loss of revenues while these vessels are being repaired and repositioned, as well as the actual cost of these repairs, may adversely affect our business and financial condition. In addition, space at drydocking facilities is sometimes limited and not all drydocking facilities are conveniently located. We may be unable to find space at a suitable drydocking facility or our vessels may be forced to travel to a drydocking facility that is not conveniently located relative to our vessels' positions. The loss of earnings while these vessels are forced to wait for space or to travel to more distant drydocking facilities may adversely affect our business and financial condition.

The operation of drybulk carriers entails certain unique operational risks.

The operation of certain ship types, such as drybulk carriers, has certain unique risks. With a drybulk carrier, the cargo itself and its interaction with the ship can be a risk factor. By their nature, drybulk cargoes are often heavy, dense, easily shifted, and react badly to water exposure. In addition, drybulk carriers are often subjected to battering treatment during unloading operations with grabs, jackhammers (to pry encrusted cargoes out of the hold), and small bulldozers. This treatment may cause damage to the vessel. Vessels damaged due to treatment during unloading procedures may be more susceptible to breach at sea. Furthermore, any defects or flaws in the design of a drybulk carrier may contribute to vessel damage. Hull breaches in drybulk carriers may lead to the flooding of the vessels holds. If a drybulk carrier suffers flooding in its holds, the bulk cargo may become so dense and waterlogged that its pressure may buckle the vessel's bulkheads, leading to the loss of the vessel. If we are unable to adequately maintain our vessels, we may be unable to prevent these events. Any of these circumstances or events could negatively impact our business, financial condition, results of operations and our ability to pay dividends, if any, in the future. In addition, the loss of any of our vessels could harm our reputation as a safe and reliable vessel owner and operator.

If our vessels call on ports located in countries or territories that are the subject of sanctions or embargoes imposed by the United States, the United Kingdom, the European Union, the United Nations, or other governmental authorities, or engage in other transactions or dealings that would be violative of applicable sanctions laws, it could lead to monetary fines or other penalties and may adversely affect our reputation and the market for our securities.

Although we intend to maintain compliance with all applicable sanctions and embargo laws, and we endeavor to take precautions reasonably designed to mitigate such risk, it is possible that, in the future, our vessels may call on ports located in sanctioned countries or territories, or engage in other such transactions or dealings that would be violative of applicable sanctions, on our charterers' instructions and/or without our consent. If such activities result in a violation of sanctions or embargo laws, we could be subject to monetary fines, penalties, or other sanctions, and our reputation and the market for our common shares could be adversely affected.

U.S. sanctions exist under a strict liability regime. Accordingly, a party need not know it is violating sanctions and need not intend to violate sanctions to be liable. We could be subject to monetary fines, penalties, or other sanctions for violating applicable sanctions or embargo laws even in circumstances where our conduct, or the conduct of a charterer, is consistent with our sanctions-related policies, unintentional or inadvertent.

The applicable sanctions and embargo laws and regulations vary in their application, and by jurisdiction, as they do not all apply to the same covered persons or proscribe the same activities, and such sanctions and embargo laws and regulations may be amended or expanded over time. In addition, the sanctions and embargo laws and regulations of each jurisdiction may be amended to increase or reduce the restrictions they impose over time, and the lists of persons and entities designated under these laws and regulations are amended frequently. Moreover, most sanctions regimes provide that entities owned or controlled by the persons or entities designated in such lists are also subject to sanctions. The U.S., U.K., and EU have enacted new sanctions programs in recent years. Additional countries or territories, as well as additional persons or entities within or affiliated with those countries or territories, have, and in the future will, become the target of sanctions. These require us to be diligent in ensuring our compliance with sanctions laws. Further, the U.S. has increased its focus on sanctions enforcement with respect to the shipping sector.

Current or future counterparties of ours may be affiliated with persons or entities that are or may be in the future the subject of sanctions or embargoes imposed by the U.S., U.K., EU, and/or other international bodies. If we determine that such sanctions require us to terminate existing or future contracts to which we, or our subsidiaries, are party or if we are found to be in violation of such applicable sanctions, our results of operations may be adversely affected or we may suffer reputational harm. The Company, or its respective counterparty, have cancelled certain voyages due to countries around the world imposing sanctions against Russia over its invasion of Ukraine. The Company might be subject to litigation regarding canceled voyages. Although the current market remains strong, and the Company expects to deploy vessels on other voyage and time charter arrangements, the rates achieved may not be at the same levels as the cancelled voyages.

As a result of Russia's actions in Ukraine and the war between Israel and Hamas, the U.S., EU and United Kingdom, together with numerous other countries, have imposed significant economic sanctions which may adversely affect our ability to operate in these regions and also restrict parties whose cargo we may carry. Sanctions against Russia have also placed significant prohibitions on the maritime transportation of seaborne Russian oil, the importation of certain Russian energy products and other goods, and new investments in the Russian Federation. These sanctions further limit the scope of permissible operations and cargo we may carry.

Although we believe that we have been in compliance with all applicable sanctions and embargo laws and regulations, and intend to maintain such compliance, there can be no assurance that we will be in compliance in the future, particularly as the scope of certain laws may be unclear and may be subject to changing interpretations. Any such violation could result in fines, penalties or other sanctions that could negatively impact our ability to access U.S. capital markets and conduct our business, and could result in some investors deciding, or being required, to divest their interest, or not to invest, in us. In addition, certain institutional investors may have investment policies or restrictions that prevent them from holding securities of companies that have contracts with countries identified by the U.S. government as state sponsors of terrorism. The determination by these investors not to invest in, or to divest from, our securities may adversely affect the price at which our securities trade. Additionally, some investors may decide to divest their interest, or not to invest, in our company simply because we do business with companies that do business in sanctioned countries or territories. Moreover, our charterers may violate applicable sanctions and embargo laws and regulations as a result of actions that do not involve us or our vessels, and those violations could in turn negatively affect our reputation. In addition, our reputation and the market for our securities may be adversely affected if we engage in certain other activities, such as lawfully entering into charters with individuals or entities that are not controlled by the governments of countries or territories that are the subject of certain U.S. sanctions or embargo laws, or engaging in operations associated with those countries or territories pursuant to contracts with third parties that are unrelated to those countries or territories or entities controlled by their governments. Investor perception of the value of our common shares may be adversely affected by the consequences of war, the effects of terrorism, civil unrest and governmental actions in the countries or territories that we operate in.

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

The operation of our vessels is affected by the requirements set forth in the United Nations' International Maritime Organization's International Management Code for the Safe Operation of Ships and Pollution Prevention, or ISM Code. The ISM Code requires ship owners and ship managers to develop and maintain an extensive "Safety Management System" that includes the adoption of a safety and environmental protection policy setting forth instructions and procedures for safe operation for dealing with emergencies. The failure of a shipowner to comply with the ISM Code may subject it to increased liability, may invalidate existing insurance or decrease available insurance coverage for the affected vessels and may result in a denial of access to, or detention in, certain ports. Each of the vessels owned or operated by us is ISM Code-certified.

In addition, vessel classification societies impose significant safety and other requirements on our vessels. In complying with current and future environmental requirements, vessel owners and operators may incur significant additional costs for maintenance and inspection requirements, in developing contingency arrangements for potential spills and in obtaining insurance coverage. Government regulation of vessels, particularly in the areas of safety and environmental protection requirements, can be expected to become stricter in the future and may require us to incur significant capital expenditures to keep our vessels in compliance.

On July 14, 2021, the European Commission formally proposed its plan to gradually include the maritime sector in the EU Emissions Trading System, or EU ETS, from 2024 by phasing the sector into the EU ETS requirements over a three-year period. Effective January 1, 2024, the scope of ETS has been expanded to include maritime transport emissions, with a two-year phase-in period. This will require shipowners to buy permits to cover greenhouse gas emissions and is expected to affect our vessels from January 1, 2024. The European Commission's plan will permit vessel owners to pass the costs of compliance with the EU ETS onto charterers for vessel emissions during on-hire periods. If we are unable to pass on these additional costs to our customers during on-hire periods, this could have a material adverse effect on our financial position. During off-hire periods, we will need to develop a strategy for purchasing EU ETS allocations at favorable rates. If we are unable to obtain favorable rates or are unable to implement adequate processes to manage the purchasing and surrendering of EU ETS allocations, it could have a material adverse effect on the Company's financial position.

We are subject to complex laws and regulations, including environmental regulations that can adversely affect the cost, manner or feasibility of doing business.

Our operations are subject to numerous laws and regulations in the form of international conventions and treaties, national, state and local laws and national and international regulations in force in the jurisdictions in which our vessels operate or are registered, which can significantly affect the ownership cost and operation of our vessels. These requirements include, but are not limited to, European Union Regulations, the International Convention for the Prevention of Pollution from Ships of 1975, the International Maritime Organization, or IMO, International Convention for the Prevention of Marine Pollution of 1973, the IMO International Convention for the Safety of Life at Sea of 1974, the International Convention on Load Lines of 1966, the U.S. Oil Pollution Act of 1990, or OPA, the U.S. Comprehensive Environmental Response, Compensation and Liability Act of 1980, or CERCLA, the U.S. Clean Air Act, U.S. Clean Water Act, the U.S. Marine Transportation Security Act of 2002 and the International Code for Ships Operating in Polar Waters.

Compliance with such laws, regulations and standards, where applicable, may require installation of costly equipment or operational changes and may affect the resale value or useful lives of our vessels. We may also incur additional costs in order to comply with other existing and future regulatory obligations, including, but not limited to, costs relating to air emissions including greenhouse gases, the management of ballast waters, maintenance and inspection, development and implementation of emergency procedures and insurance coverage or other financial assurance of our ability to address pollution incidents. These costs could have a material adverse effect on our business, results of operations, cash flows and financial condition. A failure to comply with applicable laws and regulations may result in administrative and civil penalties, criminal sanctions or the suspension or termination of our operations. Environmental laws often impose strict liability for remediation of spills and releases of oil and hazardous substances, which could subject us to liability without regard to whether we were negligent or at fault.

We are required to satisfy insurance and financial responsibility requirements for potential oil (including marine fuel) spills and other pollution incidents. Although we have arranged insurance to cover certain environmental risks, there can be no assurance that such insurance will be sufficient to cover all such risks or that any claims will not have a material adverse effect on our business, results of operations, cash flows and financial condition and our ability to pay dividends.

Regulations relating to ballast water discharge may adversely affect our revenues and profitability.

The UN International Maritime Organization has imposed updated guidelines for ballast water management systems specifying the maximum amount of viable organisms allowed to be discharged from a vessel's ballast water. The standards have been in force since 2019, and for most ships, compliance with the D-2 standard involved installing on-board systems to treat ballast water and eliminate unwanted organisms. Since September 8, 2024, D-2 standards and the costs of compliance may be substantial and adversely affect our revenues and profitability.

Furthermore, United States regulations are currently changing. Although the 2013 VGP program and NISA are currently in effect to regulate ballast discharge, exchange and installation, the VIDA, which was signed into law on December 4, 2018, requires that the EPA develop national standards of performance for approximately 30 discharges, similar to those found in the VGP within two years. On October 26, 2020, the EPA published a Notice of Proposed Rulemaking for Vessel Incidental Discharge National Standards of Performance under VIDA. In October 2024, the EPA finalized its rule on Vessel Incidental Discharge Standards of Performance. USCG must develop corresponding implementation, compliance and enforcement regulations regarding ballast water within two years. The new regulations could require the installation of new equipment, which may cause us to incur substantial costs.

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

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

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

Maritime claimants could arrest one or more of our vessels, which could interrupt our cash flow.

Crew members, suppliers of goods and services to a vessel, shippers of cargo and other parties may be entitled to a maritime lien against a vessel for unsatisfied debts, claims or damages. In many jurisdictions, a claimant may seek to obtain security for its claim by arresting a vessel through foreclosure proceedings. The arrest or attachment of one or more of our vessels could interrupt our cash flow and require us to pay large sums of money to have the arrest or attachment lifted. In addition, in some jurisdictions, such as South Africa, under the “sister ship” theory of liability, a claimant may arrest both the vessel which is subject to the claimant's maritime lien and any “associated” vessel, which is any vessel owned or controlled by the same owner. Claimants could attempt to assert “sister ship” liability against a vessel in our fleet for claims relating to another of our vessels. Under some of our present charters, if the vessel is arrested or detained as a result of a claim against us, we may be in default of our charter and the charterer may suspend the payment of hire under the charter and charge us with any additional expenses incurred during that period, which may negatively impact our revenues and cash flows.

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

A government could requisition one or more of our vessels for title or for hire. Requisition for title occurs when a government takes control of a vessel and becomes her owner, while requisition for hire occurs when a government takes control of a vessel and effectively becomes her charterer at dictated charter rates. Generally, requisitions occur during periods of war or emergency, although governments may elect to requisition vessels in other circumstances. Although we would be entitled to compensation in the event of a requisition of one or more of our vessels, the amount and timing of payment would be uncertain. Although none of our vessels have been requisitioned by a government for title or hire, government requisition of one or more of our vessels may negatively impact our revenues and reduce the amount of dividends, if any, in the future.

Changes in fuel prices may adversely affect profits.

Fuel, or bunkers, is typically the largest expense of our operating business and therefore, changes in the price of fuel may adversely affect our profitability. When we operate vessels under COAs or voyage charters, we are responsible for all voyage costs, including bunkers. The price and supply of fuel can be unpredictable and fluctuates based on events outside our control, including geopolitical developments, such as the ongoing conflict between Russia and Ukraine and between Israel and Hamas, supply and demand for oil and gas, actions by the Organization of the Petroleum Exporting Countries, or OPEC, and other oil and gas producers, war and unrest in oil producing countries and regions, regional production patterns and environmental concerns. Furthermore, fuel may become significantly more expensive in the future, which may reduce our profitability.

In addition, the entry into force, on January 1, 2020, of the 0.5% global sulfur cap in marine fuels used by vessels that are not equipped with sulfur oxide, or SO_x, exhaust gas cleaning systems, or scrubbers, under the International Convention for Prevention of Pollution from Ships, or MARPOL, Annex VI may lead to changes in the production quantities and prices of different grades of marine fuel by refineries and introduces an additional element of uncertainty in fuel markets, which could result in additional costs and adversely affect our cash flows, earnings and results from operations.

Furthermore, since the implementation of the IMO's sulfur oxide emission limits on January 1, 2020, we have been using compliant low sulfur fuels for some of our vessels that have not yet been retrofitted with scrubbers or that are trading in regions where the use of scrubbers is not permitted, the price of which has increased as a result of increased demand. Fuel may continue to become much more expensive in the future, which may adversely affect the competitiveness of our business compared to other forms of transportation and reduce our profitability.

In addition, if the increase in crude oil prices and widening of the spread between the prices of high sulfur fuel and low sulfur fuel resulting from conflict between Russia and Ukraine and Israel and Hamas continues, this might lead to a decrease in the economic viability of older vessels that lack fuel efficiency and a reduction of useful lives of these vessels.

Upon redelivery of vessels at the end of a period time or trip time charter, we may be obligated to repurchase bunkers on board at prevailing market prices, which could be materially higher than fuel prices at the inception of the charter period. We may also be obligated to value our bunkers inventories on board at the end of a period time or trip time charter, at a lower value than the acquisition value, if prevailing market prices are significantly lower at the time of the vessel redelivery from the charterer.

We continually monitor the market volatility associated with bunker prices and seek to hedge our exposure to changes in the price of marine fuels with our bunker hedging program. Please see “*The Company's Management and Discussion Analysis of Financial Condition and Results of Operations - Quantitative and Qualitative Disclosures about Market Risks - Fuel Swap Contracts.*”

In the highly competitive international shipping industry, we may not be able to compete successfully for chartered-in vessels or for vessel employment and, as a result, we may be unable to charter-in vessels at reasonable rates or employ our vessels profitably.

We charter-in and employ vessels in a highly competitive market that is capital intensive and highly fragmented. Competition arises primarily from other vessel owners and operators, some of whom have substantially greater resources than we do. Competition for seaborne transportation of drybulk cargo by sea is intense and depends on the charter or freight rate and on the location, size, age, condition and acceptability of a vessel and its operators. Due to the highly fragmented market, competitors with greater resources are able to operate larger fleets and may be able to offer lower charter or freight rates and higher quality vessels than we are able to offer. If we are unable to successfully compete with other drybulk shipping operators, we may be unable to retain customers or attract new customers, which would have an adverse impact on our results of operations.

Labor interruptions could disrupt our business.

Our vessels are manned by masters, officers and crews that are contracted by our technical managers. Potential labor disputes or labor interruption, including work stoppages, strikes and/or work disruptions, if not resolved in a timely and cost-effective manner, may lead to industrial action or other labor unrest that could prevent or hinder our operations from being carried out normally and could have a material adverse effect on our business, financial condition, results of operations and cash flows, and on our ability to pay dividends.

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

Companies across all industries may face increasing scrutiny relating to their ESG policies. Investor advocacy groups, certain institutional investors, investment funds, lenders and other market participants have been increasingly focused on ESG practices and in recent years and have placed increasing importance on the implications and social cost of their investments.

An increased focus and activism related to ESG and similar matters may hinder access to capital, as investors and lenders may decide to reallocate capital or to not commit capital as a result of their assessment of a company's ESG practices. Companies which do not adapt to or comply with investor, lender or other industry shareholder expectations and standards, which are evolving, or which are perceived to have not responded appropriately to the growing concern for ESG issues, regardless of whether there is a legal requirement to do so, may suffer from reputational damage and the business, financial condition, and/or stock price of such a company could be materially and adversely affected.

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

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

Our insurance may not be adequate to cover our losses that may result from our operations due to the inherent operational risks of the seaborne transportation industry.

We carry insurance to protect us against most of the accident-related risks involved in the conduct of our business, including marine hull and machinery insurance, protection and indemnity insurance, which include pollution risks, crew insurance and war risks insurance. However, we may not be adequately insured to cover all of our potential losses, which could have a material adverse effect on us. Additionally, our insurers may refuse to pay particular claims, and our insurance may be voidable by the insurers if we take, or fail to take, certain action, such as failing to maintain certification of our vessels with the applicable maritime regulatory organizations. Any significant uninsured or under-insured loss or liability could have a material adverse effect on our business, financial condition, results of operations and cash flows and our ability to pay dividends. In addition, we may not be able to obtain adequate insurance coverage at reasonable rates in the future during adverse insurance market conditions.

In addition, we do not carry loss-of-hire insurance, which covers the loss of revenues during extended vessel off-hire periods, such as those that occur during an unscheduled drydocking due to damage to the vessel from accidents. Accordingly, any loss of a vessel or extended vessel off-hire, due to an accident or otherwise, could have a material adverse effect on our business, financial condition, results of operations and our ability to pay dividends.

The logistics industry has its own set of risks, including infrastructure issues, operational efficiencies, lack of digital culture and training, labor relations and operational costs. We may not be able to provide logistics solutions to our customers in the face of obstacles created as a result of one of these factors.

The Company has dedicated resources to developing logistics solutions for our customers. These solutions may depend on infrastructure quality and improvement, the ability to hire qualified personnel, the ability to coordinate operations, development of digital integration and collaboration with suppliers and customers, and the ability to contain costs. If we are unable to facilitate these solutions due to any of these factors, we will not be able to continue developing such solutions.

Failure to comply with the U.S. Foreign Corrupt Practices Act could result in fines, criminal penalties, charter terminations and an adverse effect on our business.

We may operate in a number of countries throughout the world, including countries known to have a reputation for corruption. We are committed to doing business in accordance with applicable anti-corruption laws and have adopted a code of business conduct and ethics which is consistent and in full compliance with the U.S. Foreign Corrupt Practices Act of 1977, as amended, or the FCPA. We are subject, however, to the risk that we, our affiliated entities or our or their respective officers, directors, employees and agents may take actions determined to be in violation of such anti-corruption laws, including the FCPA. Any such violation could result in substantial fines, sanctions, civil and/or criminal penalties and curtailment of operations in certain jurisdictions, and might adversely affect our business, results of operations or financial condition. In addition, actual or alleged violations could damage our reputation and ability to do business. Furthermore, detecting, investigating and resolving actual or alleged violations is expensive and can consume significant time and attention of our senior management.

Risks Relating to Our Company

Our business strategy includes chartering-in vessels, and we may not be able to charter-in suitable vessels.

Our business strategy depends, in large part, on our ability to charter-in vessels. If we are not able to find suitable vessels to charter-in, or to charter-in vessels at what we deem to be a reasonable rate, we may not be able to operate profitably or perform our contractual obligations. As a result, we may need to adjust our business strategy, and we may experience material adverse effects on our business, financial condition and results of operations. In addition, if we charter-in a vessel and shipping rates subsequently decrease, or we are unable to secure employment for such a vessel, our obligation under the charter may adversely affect our financial condition and results of operations.

We depend upon a few significant customers for a large part of our revenues and cash flow, and the loss of one or more of these customers could adversely affect our financial performance.

We expect to derive a significant part of our revenue and cash flow from a relatively small number of repeat customers. For the year ended December 31, 2025, although no single customer accounted for more than 10% of total revenue, all of our top ten customers, representing 35% of total revenue, are repeat customers. If one or more of our significant customers is unable to perform under one or more charters or COAs and we are not able to find a replacement charter or COA; or if a customer exercises certain rights to terminate the charter or COA, we could suffer a loss of revenues that could materially adversely affect our business, financial condition, results of operations and cash available for distribution as dividends to our shareholders.

We could lose a customer or the benefits of a charter or COA if, among other things:

- the customer fails to make charter payments because of its financial inability, disagreements with us or otherwise; or
- the customer terminates the charter because we do not perform in accordance with such charter and do not cure such failures within a specified period.

If we lose a key customer, we may be unable to obtain replacement charters or COAs on comparable terms or at all. The loss of any of our customers, COAs, charters or vessels, or a decline in payments under our agreements, could have a material adverse effect on our business, results of operations and financial condition and our ability to pay dividends to our shareholders.

We are a holding company, and depend on the ability of our subsidiaries, through which we operate our business, to distribute funds to us in order to satisfy our financial obligations or to make dividend payments.

We are a holding company, and our subsidiaries conduct all of our operations and own all of our operating assets. The equity interests in our vessel-owning subsidiaries represent a significant portion of our operating assets. As a result, our ability to satisfy our financial obligations and to pay dividends to our shareholders depends on the ability of our subsidiaries to generate profits available for distribution to us and, to the extent that they are unable to generate profits, we will be unable to pay dividends to our shareholders.

We are subject to certain risks with counterparties on contracts and the failure of such counterparties to meet their obligations could cause us to suffer losses or otherwise adversely affect our business and ability to comply with covenants in our loan agreements.

We enter into various contracts that are material to the operation of our business, including COAs, time charters and voyage charters under which we employ our vessels, and charter agreements under which we charter-in vessels. We also enter into loan agreements and hedging agreements, such as bunker swap agreements and forward freight agreements, or FFAs. Such agreements subject us to counterparty risks. The ability and willingness of each of our counterparties to perform its obligations under a contract with us will depend on a number of factors that are beyond our control, including, among other things, general economic conditions, the condition of the drybulk shipping industry, the overall financial condition of our counterparty, prevailing prices for drybulk cargoes, rates received for specific types of vessels and voyages, and various expenses. In addition, in depressed market conditions, our customers may no longer need us to carry a cargo that is currently under contract or may be able to obtain carriage at a lower rate. If our customers fail to meet their obligations to us or attempt to renegotiate our agreements, it may be difficult to secure suitable substitute employment for the vessel, and any new charter arrangements we secure may be at lower rates or, if our counterparties fail to deliver a vessel we have agreed to charter-in, or if a counterparty otherwise fails to honor its obligations to us under a contract, we could sustain significant losses, which could have a material adverse effect on our business, financial condition, results of operations, cash flows, ability to pay dividends to holders of our common shares in the amounts anticipated or at all and compliance with covenants in our secured loan agreements.

Charterers are sensitive to the commodity markets and may be impacted by market forces affecting commodities and/or uncertain industry conditions. In depressed market conditions, charterers may have incentive to renegotiate their charters or default on their obligations under charters. Should a charterer in the future fail to honor its obligations under agreements with us, it may be difficult to secure substitute employment for such vessel, and any new charter arrangements we secure on the spot market or on charters may be at lower rates, depending on the then existing charter rate levels, compared to the rates currently being charged for our vessels. In addition, if the charterer of a vessel in our fleet that is used as collateral under one or more of our loan agreements defaults on its charter obligations to us, such default may constitute an event of default under our loan agreements, which may allow the bank to exercise remedies under our loan agreements.

Although we assess the creditworthiness of our counterparties, a prolonged period of difficult industry conditions could lead to changes in a counterparty's liquidity and increase our exposure to credit risk and bad debts. In addition, we may offer extended payment terms to our customers in order to secure contracts, which may lead to more frequent collection issues and adversely affect our financial results and liquidity.

Additionally, we are subject to certain risks as a result of using our vessels as collateral. If we are in breach of financial covenants contained in our loan agreements, we may not be successful in obtaining waivers and amendments. If our indebtedness is accelerated, it may be difficult in the current financing environment for us to refinance our debt or obtain additional financing and we could lose our vessels if our lenders foreclose on their liens.

We may be unable to comply with covenants in our credit facilities or any financial obligations that impose operating and financial restrictions on us.

Our credit facilities, financing obligations and finance leases, which are secured by mortgages on our vessels, impose certain operating and financial restrictions on us, mainly to ensure that the market value of the mortgaged vessel under the applicable credit facility does not fall below a certain percentage of the outstanding amount of the loan, which we refer to as the collateral maintenance or loan to value ratio. In addition, certain of our credit facilities include other financial covenants, which require us to, among other things, maintain:

- a consolidated leverage ratio of not more than 200%;
- a consolidated debt service coverage ratio of not less than 120%;
- minimum consolidated net worth of \$45 million plus, with respect to any vessel purchased or leased by the Guarantor or its subsidiaries, for so long as such vessels are legally or economically owned, 25% of the purchase price or (finance) lease amount of such vessels;
- consolidated minimum liquidity of not less than \$18 million.

In general, the operating restrictions that are contained in our credit facilities may prohibit or otherwise limit our ability to, among other things:

- effect changes in management of our vessels;
- sell or dispose of any of our assets, including our vessels;
- declare and pay dividends;
- incur additional indebtedness;
- mortgage our vessels; and
- incur and pay management fees or commissions.

Therefore, we will need to seek permission from our lenders in order to engage in some corporate actions. Our lenders' interests may be different from ours and we may not be able to obtain our lenders' permission when needed. This may limit our ability to pay dividends to our shareholders if we determine to do so in the future, finance our future operations or capital requirements, make acquisitions or pursue business opportunities.

Non-compliance with any of our financial covenants or operating restrictions contained in our credit facilities may constitute an event of default under our credit facilities, which, unless cured within the grace period set forth under the applicable credit facility, if applicable, or waived or modified by our lenders, provides our lenders with the right to, among other things, require us to post additional collateral, enhance our equity and liquidity, increase our interest payments, pay down our indebtedness to a level where we are in compliance, sell vessels in our fleet, reclassify our indebtedness as current liabilities, accelerate our indebtedness, or foreclose their liens on our vessels and the other assets securing the credit facilities, which would impair our ability to continue to conduct our business. As of December 31, 2025, we are in compliance with covenants contained in our debt agreements. Please read "*Management's Discussion and Analysis of Financial Condition and Results of Operations - Liquidity and Capital Resources - Borrowing Activities.*"

Furthermore, certain of our credit facilities contain a cross-default provision that may be triggered by a default under one of our other credit facilities. A cross-default provision means that a default on one loan would result in a default on certain other loans. Because of the presence of cross-default provisions in certain of our credit facilities, the refusal of any one lender under our credit facilities to grant or extend a waiver could result in certain of our indebtedness being accelerated. If our secured indebtedness is accelerated in full or in part, it would be very difficult in the current financing environment for us to refinance our debt or obtain additional financing and we could lose our vessels and other assets securing our credit facilities if our lenders foreclose their liens, which would adversely affect our ability to conduct our business.

We may be unable to effectively manage our growth strategy.

Our primary strategy is to expand capacity by increasing our owned fleet as demand for our services grows. This strategy depends on factors such as:

- Securing new cargo transportation contracts
- Developing logistics solutions for dry bulk trades
- Acquiring vessels at attractive prices
- Obtaining necessary financing
- Integrating new vessels into our operations
- Expanding our customer base
- Hiring and retaining qualified personnel

- Identifying new markets
- Improving our systems and controls

Future growth may require additional financing, and failure to effectively manage acquisitions could negatively impact our business and financial condition. Our current systems and personnel may not be sufficient to support fleet expansion, and we may need to hire more employees and improve systems. Acquisitions may also require issuing equity or debt, affecting our financial flexibility.

Business growth involves risks such as obtaining qualified personnel and managing customer and supplier relationships. Growing any business by acquisition presents numerous risks, such as undisclosed liabilities and obligations, the possibility that indemnification agreements will be unenforceable or insufficient to cover potential losses and difficulties associated with imposing common standards, controls, procedures and policies, obtaining additional qualified personnel, managing relationships with customers, suppliers and integrating newly acquired assets and operations into existing infrastructure. Expanding our fleet, may increase responsibilities for management and staff. We cannot guarantee successful execution of our growth plans without incurring significant expenses and losses.

Investment in forward freight agreements and other derivative instruments could result in losses.

We manage our market exposure using forward freight agreements, or FFAs, and other derivative instruments, such as bunker hedging contracts. FFAs are cash-settled derivative contracts based on future freight delivery rates and other derivative instruments. FFAs may be used to hedge exposure to the changing rates by providing for the purchase or sale of a contracted charter rate along a specified route or combination of routes and over a specified period of time. Upon settlement, if the contracted charter rate is less than the settlement rate, the seller of the FFA is required to pay the buyer an amount equal to the difference between the contracted rate and the settlement rate, multiplied by the number of days in the specified period. Conversely, if the contracted rate is greater than the settlement rate, the buyer is required to pay the seller the settlement sum. If we take positions in FFAs and do not correctly anticipate rate movements for the specified vessel route or routes and relevant time period or our assumptions regarding the relative relationships of certain vessels' earnings, routes and other factors relevant to the FFA markets are incorrect, we could suffer losses in settling or terminating our FFAs. In addition, we normally do not designate our FFAs for special hedge accounting and, as such, our use of such derivatives may lead to material fluctuations in our results of operations.

We also seek to manage our exposure to volatility in the market price of bunkers by entering into bunker hedging contracts. There can be no assurance that we will be able to successfully limit our risks, leaving us exposed to unprofitable contracts and we may suffer significant losses from these hedging activities.

Our long-term COAs, single charter bookings and time-charter agreements may result in significant fluctuations in our quarterly results, which may adversely affect our liquidity, as well as our ability to satisfy our financial obligations.

As part of our business strategy, we enter into long-term COAs, single charter bookings and time-charter agreements. We evaluate entering into long-term positions based on the expected return over the full term of the contract. However, long-term contracts that we believe provide attractive returns over their full term may produce losses over portions of the contract period. We may be required to provide additional margin collateral in connection with FFA positions that are settled through clearinghouses, depending upon movements in the FFA markets. These interim losses, fluctuations in our quarterly results or incremental collateral requirements may adversely affect our financial liquidity, as well as our ability to satisfy our financial obligations.

We depend on COAs, which could require us to operate at unfavorable rates for a certain amount of time or subject us to other operating risks.

A significant portion of our revenues are derived from COAs. While COAs provide a relatively stable and predictable source of revenue, they typically fix the rate we are paid for our drybulk shipping services. Once we have entered into a COA, if we have not correctly anticipated vessel rates, location and availability for our owned or chartered-in fleet to fulfill the COA, we could suffer losses. Moreover, factors beyond our control may cause a COA to become unprofitable. Nevertheless, we would be obligated to continue to perform for the term of the COA. In addition, factors beyond our control, such as vessel availability, port delays, changes in government or industry rules or regulation, industrial actions or acts of terrorism or war, could affect our ability to perform our obligations under our COAs, which could result in breach of contract or other claims by our COA counterparties. Any of these occurrences could have a material adverse effect on our business, financial condition and results of operations and financial condition.

We are a “smaller reporting company” and an “accelerated filer” and we cannot be certain if the reduced disclosure requirements applicable to smaller reporting companies will make our common shares less attractive to investors.

We are a “smaller reporting company,” as defined in the Securities Exchange Act of 1934, as amended, or the Exchange Act, and may choose to rely on scaled disclosure requirements available to smaller reporting companies. On June 28, 2018, the Commission adopted amendments to the definition of “smaller reporting company” that became effective on September 10, 2018. Under the new definition, generally, a company qualifies as a “smaller reporting company” if it has public float of less than \$250 million; or it has less than \$100 million in annual revenues and no public float or public float of less than \$700 million.

The scaled disclosure requirements for smaller reporting companies permit us to include less extensive narrative disclosure than required of other reporting companies, particularly in the description of executive compensation and to provide audited financial statements for two fiscal years, in contrast to other reporting companies, which must provide audited financial statements for three fiscal years.

Investors may find our common shares and the price of our common shares less attractive because we rely, or may rely, on these exemptions. If some investors find our common shares less attractive as a result, there may be a less active trading market for our common shares and the price of our common shares may be more volatile.

Obligations associated with being a public company require significant company resources and management attention, and we incur increased costs as a result of being a public company.

We are subject to the reporting requirements of the Exchange Act, and the rules and regulations of the SEC, including Sarbanes-Oxley, and requirements of the NASDAQ Global Select Market. These requirements and rules may place a strain on our systems and resources. For example, the Exchange Act requires that we file annual, quarterly and current reports with respect to our business and financial condition and Sarbanes-Oxley requires that we document and maintain effective disclosure controls and procedures and internal control over financial reporting. While we did not identify any material weaknesses or significant deficiencies in our internal controls under the current assessment for the year ended December 31, 2025, we cannot be certain at this time that our internal controls will be considered effective in future assessments and that our independent registered public accounting firm would reach a similar conclusion. These reporting and other obligations place significant demands on our management, administrative, operational and accounting resources and we incur significant legal, accounting and other expenses as a result. The expenses incurred by public companies, generally, for reporting and corporate governance purposes have been increasing and the costs we incur for such purposes may strain our resources. We may implement additional financial and management controls and procedures, reporting and business intelligence systems, create or outsource an internal audit function, or hire additional accounting and finance staff. If we are unable to accomplish these objectives in a timely and effective fashion, our ability to comply with the financial reporting requirements and other rules that apply to reporting companies could be impaired. In addition, our limited management resources may exacerbate the difficulties in complying with these reporting and other requirements while focusing on executing our business strategy. Our incremental general and administrative expenses as a publicly traded corporation include costs associated with preparing reports to shareholders, tax returns, investor relations, registrar and transfer agent’s fees, incremental director and officer liability insurance costs and director compensation. Any failure to maintain effective internal control over financial reporting could have a material adverse effect on our business, prospects, liquidity, results of operations and financial condition. Furthermore, if we are unable to satisfy our obligations as a public company, we could be subject to delisting of our common shares, fines, sanctions and other regulatory action.

A failure to pass inspection by classification societies could result in vessels being unemployable until they pass inspection, resulting in a loss of revenues from such vessels for that period.

The hull and machinery of every commercial vessel must be classed by a classification society authorized by its country of registry. The classification society certifies that a vessel is safe and seaworthy in accordance with the applicable rules and regulations of the country of registry of the vessel and the United Nations Safety of Life at Sea Convention. Our owned fleet is currently enrolled with DNV GL Group (DNV), and Nippon Kaiji Kyokai (NK).

A vessel must undergo annual surveys, intermediate surveys and special surveys. In lieu of a special survey, a vessel’s machinery may be on a continuous survey cycle, under which the machinery would be surveyed periodically over a five-year period. Our vessels are on special survey cycles for hull inspection and continuous survey cycles for machinery inspection. Every vessel must undergo regulatory surveys of its underwater parts every 30 to 60 months.

If a vessel fails any annual survey, intermediate survey or special survey, the vessel may be unable to trade between ports and, therefore, would be unemployable, potentially causing a negative impact on our revenues due to the loss of revenues from such vessel until it was able to trade again.

Because we purchase and operate secondhand vessels, we may be exposed to increased operating costs which could adversely affect our earnings and, as our fleet ages, the risks associated with older vessels could adversely affect our ability to obtain profitable charters.

As part of our current business strategy to increase our owned fleet, we may acquire new and secondhand vessels. While we rigorously inspect previously owned or secondhand vessels prior to purchase, this does not provide us with the same knowledge about their condition and cost of any required (or anticipated) repairs that we would have had if these vessels had been built for and operated exclusively by us. Generally, we do not receive the benefit of warranties from the builders for the secondhand vessels that we acquire. Accordingly, we may not discover defects or other problems with secondhand vessels prior to purchasing or chartering-in, or may incur costs to terminate a purchase agreement. Any such hidden defects or problems may require us to put a vessel into drydock, which would reduce our fleet utilization and increase our operating costs. If a hidden defect or problem is not detected, it may result in accidents or other incidents for which we may become liable to third parties. The market prices of secondhand vessels also tend to fluctuate with changes in charter rates and the cost of newbuild vessels, and if we sell the vessels, the sales prices may not equal and could be less than their carrying values at that time.

In general, the costs to maintain a vessel in good operating condition increase with the age of the vessel. Older vessels are typically less fuel-efficient than more recently constructed vessels due to improvements in engine technology. Cargo insurance rates increase with the age of a vessel, making older vessels less desirable to charterers. As of the date of this annual report, our fleet consists of 39 owned vessels having a combined carrying capacity of 2.3 million dead weight tons, or dwt, and a weighted average age of 11 years.

Furthermore, governmental regulations, safety or other equipment standards related to the age of vessels may require expenditures for alterations, or the addition of new equipment and may restrict the type of activities in which the vessel may engage. As our vessels age, market conditions may not justify those expenditures or enable us to operate our vessels profitably during the remainder of their useful lives. As a result, regulations and standards could have a material adverse effect on our business, financial condition, results of operations, cash flows and ability to pay dividends.

Unless we set aside reserves or are able to borrow funds for vessel replacement, we will be unable to replace the vessels in our fleet at the end of their useful lives.

Effective January 1, 2026, the Company revised its estimate of the useful lives of its vessels to 25 years from the date of initial delivery from the shipyard. The remaining estimated useful lives of the Company's vessels range from approximately 5 to 20 years, depending on the age and type of vessel. The average age of the Company's owned dry bulk carriers as of the date of this filing is approximately 11 years.

A portion of the Company's cash flows and earnings is dependent upon revenues generated from the employment of its vessels. If the Company is unable to replace vessels in its fleet at the end of their useful lives, its business, results of operations, financial condition and ability to pay dividends could be materially adversely affected. The Company does not currently maintain reserves for vessel replacements and intends to finance future vessel acquisitions through internally generated cash flows, borrowings under its credit facilities, or additional equity or debt offerings.

Our ability to obtain additional debt financing, or to refinance existing indebtedness, may be dependent on the performance and length of our COAs and charters, and the creditworthiness of our contract counterparties.

The performance and length of our COAs and charters and the actual or perceived credit quality of our contract counterparties, and any defaults by them, may materially affect our ability to obtain the additional capital resources required to purchase additional vessels or may significantly increase our costs of obtaining such capital. Our inability to obtain additional financing on acceptable terms or at all may materially affect our results of operations and our ability to implement our business strategy.

We have and may continue to partially finance the acquisition of vessels with borrowings drawn under credit facilities, financing obligations or finance leases. While we may refinance amounts drawn under our credit facilities with the net proceeds of future debt and equity offerings, we cannot assure you that we will be able to do so at interest rates and on terms that are acceptable to us or at all. If we are not able to refinance these amounts with the net proceeds of debt and equity offerings at an interest rate or on terms acceptable to us or at all, we will have to dedicate a larger portion of our cash flow from operations to pay the principal and interest of this indebtedness. If we are not able to satisfy these obligations, we may have to undertake alternative financing plans or sell vessels. The actual or perceived credit quality of our contract counterparties, any defaults by them and the market value of our fleet, among other things, may materially affect our ability to obtain alternative financing. In addition, debt service payments under our credit facilities, financing obligations and finance leases or alternative financing may limit funds otherwise available for working capital, capital expenditures, the payment of dividends and other purposes. If we are unable to meet our debt obligations, or if we otherwise default under our credit facilities or alternative financing arrangements, our lenders could declare the debt, together with accrued interest and fees, to be immediately due and payable and foreclose on our fleet, which could result in the acceleration of other indebtedness that we may have at such time and the commencement of similar foreclosure proceedings by other lenders.

We depend on our Chief Executive Officer, Chief Operating Officer, Chief Financial Officer and other key employees, and the loss of their services would have a material adverse effect on our business, results and financial condition.

We depend on the efforts, knowledge, skill, reputations and business contacts of our Chief Executive Officer, Mads Boye Petersen, our Chief Financial Officer, Gianni Del Signore, our Chief Strategy Officer, Daniel Schildt, and other key employees. Accordingly, our success will depend on the continued service of these individuals. We do not have employment agreements with our executive officers or employees. We may experience departures of senior executive officers and other key employees, and we cannot predict the impact that any of their departures would have on our ability to achieve our financial objectives. The loss of the services of any of them could have a material adverse effect on our business, results of operations and financial condition. We do not maintain “key man” life insurance on any of our key employees.

Exposure to currency exchange rate fluctuations will result in fluctuations in our cash flows and operating results.

We may generate our revenues and incur some of our operating expenses and general and administrative expenses in currencies other than the U.S. dollar. This difference could lead to fluctuations in our revenues and vessel operating expenses, which would affect our financial results. Expenses incurred in foreign currencies increase when the value of the U.S. dollar falls, which would reduce our profitability. Our operating results could suffer as a result.

Historically, our revenue has been generated in U.S. Dollars, but we incur capital, operating and administrative expenses in multiple currencies, including, among others, the Euro. If the U.S. Dollar weakens significantly, we would be required to convert more U.S. Dollars to other currencies to satisfy our obligations, which may cause us to have less or no cash available for distribution to our unitholders. Because we report our operating results in U.S. Dollars, changes in the value of the U.S. Dollar may also result in fluctuations in our reported revenues and earnings. In addition, under U.S. GAAP, all foreign currency-denominated monetary assets and liabilities, such as cash and accounts payable, are revalued and reported based on the prevailing exchange rate at the end of the reporting period. This revaluation may cause us to report significant non-monetary foreign currency exchange gains and losses in certain periods.

We may be subject to litigation, arbitration and other proceedings that could have an adverse effect on our business

Though there is no pending litigation against us as of the date of this report we may be, from time to time, involved in various litigation matters arising in the ordinary course of business, or otherwise. These matters may include, among other things, contract disputes, personal injury claims, environmental matters, governmental claims for taxes or duties, securities, or maritime matters. Although we intend to defend these matters vigorously, we cannot predict with certainty the outcome or effect of any claim or other litigation matter, and the potential costs to resolve any claim or other litigation matter, or a combination of these, may have a material adverse effect on us because of potential negative outcomes, the costs associated with asserting our claims or defending such lawsuits, and the diversion of management's attention to these matters. Insurance may not be applicable or sufficient in all cases and/or insurers may not remain solvent which may have a material adverse effect on our financial condition and operating cash flows.

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

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

Based on our proposed method of operation, we do not expect that we will be a PFIC with respect to any taxable year. In this regard, we intend to treat the gross income we derive or are deemed to derive from our time chartering activities as services income, rather than rental income. Accordingly, we believe that our income from our time chartering activities does not constitute “passive income,” and the assets that we own and operate in connection with the production of that income do not constitute assets that produce, or are held for the production of, passive income for purposes of determining whether the Company is a PFIC.

There is, however, no direct legal authority under the PFIC rules addressing our proposed characterization of income for United States federal income tax purposes. Accordingly, in the absence of any legal authority specifically relating to the United States Internal Revenue Code of 1986, as amended, or the “Code,” provisions governing PFICs, the IRS or a court could disagree with our position. Moreover, although we intend to conduct our operations in such a manner as to avoid being classified as a PFIC, there can be no assurance that we would not constitute a PFIC for any future taxable year if there were to be changes in the nature and extent of our operations.

If the IRS were to find that we are or have been a PFIC for any taxable year, our United States shareholders will face adverse United States tax consequences. Under the PFIC rules, unless those shareholders make an election available under the Code (which election could itself have adverse consequences for such shareholders, such shareholders would be liable to pay United States federal income tax at the then prevailing income tax rates on ordinary income plus interest upon excess distributions and upon any gain from the disposition of our common shares, as if the excess distribution or gain had been recognized ratably over the shareholder's holding period of our common shares.

Based on our current and expected composition of assets and income, it is not anticipated that we will be treated as a PFIC. Actual PFIC status for any taxable year, however, will not be determinable until after the end of such taxable year. Accordingly, there can be no assurances regarding our status as a PFIC for the current taxable year or any future taxable year. United States Shareholders are urged to consult with their own tax advisors regarding the possible application of the PFIC rules.

We may have to pay tax on United States source income, which would reduce our earnings.

Under sections 863(c)(3) and 887(a) of the Code, 50% of the gross shipping income of a vessel owning or chartering corporation, such as ourselves and our subsidiaries, that is attributable to transportation that begins or ends, but that does not both begin and end, in the United States may be subject to a 4% United States federal income tax without allowance for deduction, unless that corporation qualifies for exemption from tax under section 883 of the Code and the applicable Treasury Regulations promulgated thereunder.

If we or our subsidiaries are not entitled to exemption under section 883 for any taxable year, we or our subsidiaries could be subject for those years to an effective 2% United States federal income tax on the shipping income these companies derive during the year that are attributable to the transport of cargoes to or from the United States. The imposition of this taxation would have a negative effect on our business and would result in decreased earnings available for distribution to our shareholders.

Changes in tax laws and unanticipated tax liabilities could materially and adversely affect the taxes we pay, results of operations and financial results.

We are subject to income and other taxes in the United States and foreign jurisdictions, and our results of operations and financial results may be affected by tax and other initiatives around the world. For instance, there is a high level of uncertainty in today's tax environment stemming from global initiatives put forth by the Organisation for Economic Co-operation and Development's, or OECD, two-pillar base erosion and profit shifting project. In October 2021, members of the OECD put forth two proposals: (i) Pillar One reallocates profit to the market jurisdictions where sales arise versus physical presence; and (ii) Pillar Two compels multinational corporations with €750 million or more in annual revenue to pay a global minimum tax of 15% on income received in each country in which they operate. The reforms aim to level the playing field between countries by discouraging them from reducing their corporate income taxes to attract foreign business investment. Over 140 countries agreed to enact the two-pillar solution to address the challenges arising from the digitalization of the economy and, in 2024, these guidelines were declared effective and must now be enacted by those OECD member countries. It is possible that these guidelines, including the global minimum corporate tax rate measure of 15%, could increase the burden and costs of our tax compliance, the amount of taxes we incur in those jurisdictions and our global effective tax rate, which could have a material adverse impact on our results of operations and financial results.

Information technology failures and data security breaches, including as a result of cybersecurity attacks, could negatively impact our results of operations and financial condition, subject us to increased operating costs, and expose us to litigation.

We rely on our computer systems and network infrastructure across our operations, including on our vessels. The safety and security of our vessels and efficient operation of our business, including processing, transmitting and storing electronic and financial information, are dependent on computer hardware and software systems. Our vessels rely on information systems for a significant part of their operations, including navigation, provision of services, propulsion, machinery management, power control, communications and cargo management. Despite our implementation of security and back-up measures, all of our technology systems are vulnerable to damage, disability or failures due to physical theft, fire, power loss, telecommunications failure, operational error, or other catastrophic events. Our technology systems are also subject to cybersecurity attacks including malware, other malicious software, phishing email attacks, attempts to gain unauthorized access to our data, the unauthorized release, corruption or loss of our data, loss or damage to our data delivery systems, and other electronic security breaches. In addition, as we continue to grow the volume of transactions in our businesses, our existing IT systems infrastructure, applications and related functionality may be unable to effectively support a larger scale operation, which can cause the information being processed to be unreliable and impact our decision-making or damage our reputation with customers.

Additionally, there continues to be significant evolution and developments in the use of artificial intelligence, or AI, technologies, including generative artificial intelligence. While we have integrated the use of artificial intelligence in our business, we cannot, at this time, fully determine the impact of such evolving technology to our industry or business. As part of services provided by third-party application providers the risks are assessed as part of the normal risk assessments. We deploy Microsoft CoPilot to employees following a thorough training program to ensure awareness and knowledge on the use of artificial intelligence. We have established an AI team to govern and integrate AI into our operations and implement technical security protocols as part of the overall security setup. At this stage, we do not expect AI to cause increased risk to our industry or business.

Despite our efforts to ensure the integrity of our systems and prevent future cybersecurity attacks, it is possible that our business, financial and other systems could be compromised, especially because such attacks can originate from a wide variety of sources including persons involved in organized crime or associated with external service providers. Those parties may also attempt to fraudulently induce employees, customers or other users of our systems to disclose sensitive information in order to gain access to our data or use electronic means to induce the company to enter into fraudulent transactions. A successful cyber-attack could materially disrupt our operations, including the safety of our vessel operations. We do not maintain cyber-liability insurance at this time to cover such losses. Past and future occurrences of such attacks could damage our reputation and our ability to conduct our business, impact our credit and risk exposure decisions, cause us to lose customers or revenues, subject us to litigation and require us to incur significant expense to address and remediate or otherwise resolve these issues, which could have a material adverse effect on our business, financial condition, results of operations and cash flows.

Cyber-attacks could lead to potential unauthorized access and disclosure of confidential information and data loss and corruption. Further, data protection laws apply to us in certain countries in which we do business. Specifically, the EU General Data Protection Regulation, or GDPR, which was applicable beginning May 2018, increases penalties up to a maximum of 4% of global annual turnover for breach of the regulation. The GDPR requires mandatory breach notification, the standard for which is also followed outside the EU (particularly in Asia). Non-compliance with data protection laws could expose us to regulatory investigations, which could result in fines and penalties. In addition to imposing fines, regulators may also issue orders to stop processing personal data, which could disrupt operations. We could also be subject to litigation from persons or corporations allegedly affected by data protection violations. Violation of data protection laws is a criminal offense in some countries, and individuals can be imprisoned or fined. Any violation of these laws or harm to our reputation could have a material adverse effect on our earnings, cash flows and financial condition.

Moreover, our risk of cyber-attack and other sources of security breaches and incidents may be elevated as a result of the ongoing global conflicts. To the extent such conflicts have collateral effects on global critical infrastructure or financial institutions, such developments could adversely affect our business, operating results and financial condition. At this time, it is difficult to assess the likelihood of such threat and any potential impact.

Further, in July 2023, the SEC adopted amendments to its rules on cybersecurity risk management, strategy, governance, and incident disclosure. The amendments require us to report material cybersecurity incidents involving our information systems and periodic reporting regarding our policies and procedures to identify and manage cybersecurity risks, amongst other disclosures. As of the date of this annual report we have not experienced any material cybersecurity incident which would be disclosable under SEC guidelines.

For more information on our cybersecurity policies and procedures, please see Item 1C “Cybersecurity.”

Risks Related To Our Common Shares

Future sales of our common shares could cause the market price of our common shares to decline and could dilute our shareholders’ interests in our company.

The market price of our common shares could decline due to sales of a large number of shares in the market, including sales of shares by our large shareholders, or the perception that these sales could occur. These sales could also make it more difficult or impossible for us to sell equity securities in the future at a time and price that we deem appropriate to raise funds through future offerings of common shares.

We may, from time to time, issue additional common shares to support our growth strategy, reduce debt or provide us with capital for other purposes that our Board of Directors believes to be in our best interest. To the extent that an existing shareholder does not purchase additional shares that we issue, that shareholder’s interest in our company will be diluted, which means that its percentage of ownership in our company will be reduced. Following such a reduction, that shareholder’s common shares would represent a smaller percentage of the vote in our Board of Directors’ elections and other shareholder decisions.

We may need to raise additional capital in the future, which may not be available on favorable terms or at all or which may dilute our common shares or adversely affect its market price.

We may require additional capital to expand our business and increase revenues, add liquidity in response to negative economic conditions, meet unexpected liquidity needs caused by industry volatility or uncertainty and reduce our outstanding indebtedness under our existing facilities. To the extent that our existing capital and borrowing capabilities are insufficient to meet these requirements and cover any losses, we will need to raise additional funds through debt or equity financings, including offerings of our common shares, securities convertible into our common shares, or rights to acquire our common shares, or curtail our growth and reduce our assets or restructure arrangements with existing security holders. Any equity or debt financing, or additional borrowings, if available at all, may be on terms that are not favorable to us. Equity financings could result in dilution to our shareholders, as described further below, and the securities issued in future financings may have rights, preferences and privileges that are senior to those of our common shares. If our need for capital arises because of significant losses, the occurrence of these losses may make it more difficult for us to raise the necessary capital. If we cannot raise funds on acceptable terms if and when needed, we may not be able to take advantage of future opportunities, grow our business or respond to competitive pressures or unanticipated requirements.

Volatility in the market price and trading volume of our common shares could adversely impact the trading price of our common shares.

The stock market in recent years has experienced significant price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of companies like us. These broad market factors may materially reduce the market price of our common shares, regardless of our operating performance. The market price of our common shares, which has experienced significant price fluctuations in the past twelve months, could continue to fluctuate significantly for many reasons, including in response to the risks described herein or for reasons unrelated to our operations, such as reports by industry analysts, investor perceptions or negative announcements by our competitors or suppliers regarding their own performance, as well as industry conditions and general financial, economic and political instability. Other factors that may influence the market price of our common shares includes, but is not limited to:

- investor reaction to our business strategy;
- our continued compliance with the listing standards of Nasdaq;
- mergers and strategic alliances in the shipping industry;
- regulatory or legal developments in the United States and other countries, especially changes in laws or regulations applicable to our industry;
- variations or fluctuations in our financial results or those of companies that are perceived to be similar to us;
- our ability or inability to raise additional capital and the terms on which we raise it;
- declines in the market prices of stocks generally;
- trading volume of our common stock;
- sales of our common stock by us or our stockholders;
- the loss of any of our key management personnel;
- general economic, industry and market conditions, including inflationary pressures; and
- other events or factors, including those resulting from such events, or the prospect of such events, including war, terrorism and other international conflicts, public health issues, adverse weather and climate conditions could disrupt our operations or result in political or economic instability.

Since the stock price of our common shares has fluctuated in the past, has been recently volatile and may be volatile in the future, investors in our common shares could incur substantial losses. In the past, following periods of volatility in the market, securities class-action litigation has often been instituted against companies. Such litigation, if instituted against us, could result in substantial costs and diversion of management's attention and resources, which could materially and adversely affect our business, financial condition, results of operations and growth prospects. There can be no guarantee that our stock price will remain at current prices.

Additionally, securities of certain companies might experience significant and extreme volatility in stock price due to short sellers of shares of common shares, known as a "short squeeze". These short squeezes have caused extreme volatility in those companies and in the market and have led to the price per share of those companies to trade at a significantly inflated rate that is disconnected from the underlying value of the company. Many investors who have purchased shares in those companies at an inflated rate face the risk of losing a significant portion of their original investment as the price per share has declined steadily as interest in those stocks has abated. While we have no reason to believe our shares would be the target of a short squeeze, there can be no assurance that we will not be in the future, and you may lose a significant portion or all of your investment if you purchase our shares at a rate that is significantly disconnected from our underlying value.

We are thus unable to predict when such instances of trading volatility will occur or how long such dynamics may last. Therefore, we cannot assure you that you will be able to sell any of our common shares you may have purchased at a price greater than or equal to its original purchase price, or that you will be able to sell our common shares at all.

Our organizational documents contain anti-takeover provisions that may discourage, delay or prevent (1) our merger or acquisition and/or (2) the removal of incumbent directors and officers and (3) the ability of public stockholders to benefit from a change in control.

Our Board of Directors is divided into three classes serving staggered, three-year terms. This classified board provision could discourage a third party from making a tender offer for our shares or attempting to obtain control of us. It could also delay shareholders who do not agree with the policies of our Board of Directors from removing a majority of our Board of Directors for up to two years.

We are incorporated in Bermuda and it may not be possible for our investors to enforce U.S. judgments against us.

We are incorporated in Bermuda and substantially all of our assets are located outside the United States. In addition, one of our directors is a non-resident of the United States, and all or a substantial portion of such director's assets are located outside the United States. As a result, it may be difficult or impossible for U.S. investors to serve process within the United States, upon us or our directors and executive officers, or to enforce a judgment against us for civil liabilities in United States courts.

In addition, you should not assume that courts in the countries in which we are incorporated or where our assets are located would enforce judgments of United States courts obtained in actions against us based upon the civil liability provisions of applicable United States federal and state securities laws or would enforce, in original actions, liabilities against us based on those laws.

Because we are a foreign corporation, you may not have the same rights that a shareholder in a U.S. corporation may have.

We are a Bermuda exempted company. Our memorandum of association and bye-laws and the Companies Act, 1981 of Bermuda, or the Companies Act, govern our affairs. The Companies Act does not as clearly establish your rights and the fiduciary responsibilities of our directors as do statutes and judicial precedent in some United States jurisdictions. Therefore, you may have more difficulty in protecting your interests as a shareholder in the face of actions by the management, directors or controlling shareholders than would shareholders of a corporation incorporated in a United States jurisdiction. There is a statutory remedy under Section 111 of the Companies Act which provides that a shareholder may seek redress in the courts as long as such shareholder can establish that our affairs are being conducted, or have been conducted, in a manner oppressive or prejudicial to the interests of some part of the shareholders, including such shareholder. However, you may not have the same rights that a shareholder in a United States corporation may have.

ITEM 1B. UNRESOLVED STAFF COMMENTS

Not applicable.

ITEM 1C. CYBERSECURITY

1. Board and Audit Committee Oversight

Our Board of Directors oversees our risk management process, including risks from cybersecurity threats. The Board administers its cybersecurity risk oversight function directly and through the Audit Committee. The Board and Audit Committee receive quarterly updates from management, including reports from our Global IT Director, regarding cybersecurity risks, mitigation efforts, and any significant incidents or vulnerabilities identified. These updates include assessments of the effectiveness of our cybersecurity controls and recommendations for improvements.

Our Chief Financial Officer and Information Technology department are primarily responsible for assessing and managing material risks from cybersecurity threats and overseeing key cybersecurity policies and processes. Our Global IT Director leads the day-to-day management of cybersecurity risk and has over 20 years of experience in the design, implementation, and support of information technology infrastructure and security systems. Management regularly evaluates cybersecurity risks and reports significant findings to senior management and the Board of Directors.

Network and information systems and other technologies play an important role in our business activities. We also obtain certain confidential, proprietary and personal information about our charterers, personnel, and vendors. To protect our data, we have employed cybersecurity protocols which are designed to work in tandem with internal controls to safeguard our information technology environment. Our information technology infrastructure is designed with commercial flexibility, data integrity, and safety in mind. We utilize a layered approach of systems and policies intended to provide a secure operating environment and promote business continuity. Our hardware and software systems are equipped with technology intended to offer access and intrusion protection, software and communications systems protections, and mitigate cybersecurity threats.

2. Incident Response and Materiality Assessment

We maintain a formal incident response plan that outlines procedures for detecting, containing, investigating, and remediating cybersecurity incidents. This plan includes escalation protocols to senior management and the Board, as appropriate. We assess the materiality of any cybersecurity incident based on its potential impact on our operations, financial condition, and reputation, in accordance with SEC guidance. To date, no cybersecurity incidents have had a material impact on the Company's business, operations, or financial results.

3. Risk Management Processes

We utilize industry standard software packages such as RSA and Cisco Firepower to secure our networks. We also hold online cybersecurity training for our employees. Our cybersecurity risk management processes are integrated into our enterprise risk management framework and include regular risk assessments, vulnerability scans, and penetration testing. We prioritize risks based on their likelihood and potential impact, and implement mitigation strategies accordingly. Management reviews the results of these assessments and reports significant findings and remediation actions to the Board and Audit Committee.

4. Third-Party Risk Management

We evaluate cybersecurity risks associated with third-party service providers through initial and ongoing security assessments, contractual requirements for data protection, and continuous monitoring of their cybersecurity practices. Any significant risks or incidents involving third-party providers are promptly reported to management and, if material, to the Board and Audit Committee.

5. Reference to Risk Factors

For a more detailed discussion of risks related to cybersecurity threats, including potential impacts and mitigation strategies, please refer to Item 1A, ‘Risk Factors.

ITEM 2. PROPERTIES

Phoenix Bulk Carriers (US) LLC, the administrative agent for the Company, maintains office space at 109 Long Wharf, Newport, Rhode Island 02840. The building is owned by 109 Long Wharf LLC (“Long Wharf”), a wholly-owned subsidiary of the Company since September 1, 2014. The property at 109 Long Wharf is owned free of any encumbrances. The Company leases office space in Copenhagen, Athens, Singapore, Port Everglades, FL, and Southport, CT.

ITEM 3. LEGAL PROCEEDINGS

We have not been involved in any legal proceedings which we believe are likely to have, or have had a significant effect on our business, financial position, results of operations or cash flows, nor are we aware of any proceedings that are pending or threatened which we believe are likely to have a significant effect on our business, financial position, results of operations or liquidity. From time to time, we may be subject to legal proceedings and claims in the ordinary course of business, principally personal injury and property casualty claims. We expect that these claims would be covered by insurance, subject to customary deductibles. Those claims, even if lacking merit, could result in the expenditure of significant financial and managerial resources.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Market Information

Our common shares have been traded on The Nasdaq Capital Market under the symbol PANL since our common shares began public trading on October 3, 2014. The Company's internet address is *www.pangaeals.com*.

Holders of Record

As of March 13, 2026, there were approximately 13 stockholders of record of our common stock, which included Cede & Co. (which acts as nominee shareholder for the Depository Trust Company).

Dividends

Under our By-laws, our board of directors may declare dividends or distributions out of contributed surplus and may also pay interim dividends to be paid in cash, shares of the Company's stock or any combination thereof. Our board of directors' objective is to generate competitive returns for our shareholders. Any dividends declared will be in the sole discretion of the board of directors and will depend upon earnings, restrictions in our debt agreements described later in this prospectus, market prospects, current capital expenditure programs and investment opportunities, the provisions of Bermuda law affecting the payment of distributions to shareholders and other factors. Under Bermuda law, the board of directors has no discretion to declare or pay a dividend if there are reasonable grounds for believing that the Company is, or would after the payment be, unable to pay its liabilities as they become due or the realizable value of the Company's assets would thereby be less than its liabilities.

Because the Company is a holding company with no material assets other than the shares of its subsidiaries, its ability to pay dividends depends on its subsidiaries' ability to distribute earnings and cash flows to the Company. As of December 31, 2025, none of the Company's subsidiaries were subject to restrictions on the payment of cash dividends to the Company. Accordingly, no such restrictions applied.

During the years ended December 31, 2025 and 2024, the Company paid a quarterly cash dividend ranging from \$0.05 to \$0.10 per common share. We cannot assure you that we will be able to pay regular quarterly dividends, and our ability to pay dividends will be subject to the limitations set forth above and in the section of this Form 10-K titled "[Risk Factors](#)." The Company has dividends payable of \$1.2 million at December 31, 2025. On February 5, 2026, the Company's Board of Directors declared a quarterly cash dividend of \$0.05 per common share, to be paid on March 13, 2026, to all shareholders of record as of February 27, 2026.

Use of Proceeds

Not applicable

Purchases of Equity Securities by Issuer and Affiliates

On May 8, 2025, the Company's Board of Directors authorized a share repurchase program of up to \$15.0 million of the Company's common stock, representing approximately 5.6% of its market capitalization as of that date. The program does not obligate the Company to repurchase any specific number of shares and may be modified, suspended, or terminated at any time.

The share repurchase program was publicly announced in the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2025, filed on May 12, 2025.

During the fiscal year 2025, the Company repurchased 603,631 shares under the program at an average price of \$4.94 per share for a total cost of approximately \$3.0 million. All repurchased shares were retired upon acquisition. As of December 31, 2025, approximately \$12.0 million remained available for future repurchases under the program.

Shares repurchased pursuant to the common share repurchase program during the twelve months ended December 31, 2025 were as follows:

Twelve Months Ended December 31, 2025	Total Number of Shares Purchased	Average price paid per share of common stock	Total number of shares purchased as part of publicly announced plans	Dollar value of remaining authorized repurchase
First quarter	—	\$ —	—	\$ 15,000
Second quarter	202,882	\$ 4.93	202,882.00	13,993
Third quarter	200,518	\$ 4.96	200,518.00	13,009
October	200,231	\$ 4.93	200,231.00	12,001
November	—	\$ —	—	12,001
December	—	\$ —	—	12,001
Year-to-date	603,631	\$ 4.94	603,631	12,001

Securities Authorized for Issuance Under Equity Compensation Plan

See [Part III, Item 12](#) for information regarding securities authorized for issuance under our equity compensation plan.

ITEM 6. (Reserved)

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

General

The following discussion should be read in conjunction with our consolidated financial statements and footnotes thereto contained in this report.

The MD&A generally discusses 2025 and 2024 items and year-to-year comparisons between 2025 and 2024. Discussions of 2023 items and year-to-year comparisons between 2024 and 2023 that are not included in this Form 10-K can be found in "Management's Discussion and Analysis of Financial Condition and Results of Operations" in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2024 filed with the SEC on March 18, 2025.

Pangaea Logistics Solutions Ltd. and its subsidiaries (collectively, "Pangaea" or the "Company") provides seaborne drybulk logistics and transportation services as well as terminal and stevedoring services. Pangaea utilizes its logistics expertise to service a broad base of industrial customers who require the transportation of a wide variety of drybulk cargoes, including grains, coal, iron ore, pig iron, hot briquetted iron, bauxite, alumina, cement clinker, dolomite and limestone.

The Company provides ocean transportation services to clients utilizing an ocean-going fleet of motor vessels ("m/v") in the Handysize, Handymax, Supramax, Ultramax, Panamax and Post-Panamax segments. At any time, this fleet may be comprised of a total of 60-75 vessels that are owned or chartered-in on a short-term basis. For the twelve months ended December 31, 2025, the Company operated on average a total fleet of 64 vessels. At December 31, 2025, 39 vessels were wholly-owned or partially-owned through joint ventures.

The table set forth below indicates the purchase price of the Company's vessels and the net carrying amount of each vessel as of December 31, 2025.

(In thousands of U.S. dollars)

Vessel Name	Date Acquired	Size	Year Build	Purchase Price	Net Carrying Amount
m/v Bulk Endurance	January 2017	Ultramax 1C	2017	\$ 28,000	\$ 19,417
m/v Bulk Destiny	January 2017	Ultramax 1C	2017	24,000	16,740
m/v Bulk Prudence	June 2023	Ultramax	2014	26,650	25,478
m/v Bulk Courageous	April 2021	Ultramax	2013	16,798	15,347
m/v Nordic Oasis	January 2016	Panamax 1A	2016	32,600	23,851
m/v Nordic Olympic	February 2015	Panamax 1A	2015	32,600	22,436
m/v Nordic Odin	February 2015	Panamax 1A	2015	32,625	22,593
m/v Nordic Oshima	September 2014	Panamax 1A	2014	33,709	21,599
m/v Nordic Orion	April 2012	Panamax 1A	2011	32,363	16,652
m/v Nordic Odyssey	April 2012	Panamax 1A	2010	32,691	16,768
m/v Bulk Valor	June 2021	Supramax	2013	18,182	16,695
m/v Bulk Friendship	September 2019	Supramax	2011	14,447	11,087
m/v Bulk Sachuest	October 2022	Supramax	2010	17,364	15,401
m/v Bulk Brenton	July 2024	Supramax	2016	28,762	27,079
m/v Bulk Patience	August 2024	Supramax	2016	28,663	27,066
m/v Bulk Independence	May 2019	Supramax	2008	14,393	11,756
m/v Bulk Pride	December 2017	Supramax	2008	14,023	10,698
m/v Bulk Spirit	February 2019	Supramax	2009	13,000	10,682
m/v Bulk Xaymaca	August 2018	Panamax	2006	14,010	10,127
m/v Bulk Concord	February 2022	Panamax	2009	19,900	16,739
m/v Bulk Promise	July 2021	Panamax	2013	18,633	17,234
m/v Nordic Nuluujaak	May 2021	Post Panamax 1A	2021	38,424	33,298
m/v Nordic Qinngua	June 2021	Post Panamax 1A	2021	38,471	33,305
m/v Nordic Sanngijuq	September 2021	Post Panamax 1A	2021	37,920	32,973
m/v Nordic Siku	November 2021	Post Panamax 1A	2021	37,935	33,349
m/v Strategic Fortitude	December 2024	Handysize	2016	16,874	17,406
m/v Strategic Resolve	December 2024	Handysize	2015	14,606	14,929
m/v Strategic Explorer	December 2024	Handysize	2015	14,606	14,646
m/v Strategic Entity	December 2024	Handysize	2015	14,606	15,060
m/v Strategic Synergy	December 2024	Handysize	2014	14,062	13,501
m/v Strategic Alliance	December 2024	Handysize	2014	14,062	13,501
m/v Strategic Unity	December 2024	Handysize	2014	14,062	13,502
m/v Strategic Harmony	December 2024	Handysize	2014	14,062	13,501
m/v Strategic Equity	December 2024	Handysize	2014	14,062	13,501
m/v Strategic Venture	December 2024	Handysize	2014	14,062	13,502
m/v Strategic Savannah	December 2024	Handysize	2013	11,431	10,984
m/v Strategic Spirit	December 2024	Handysize	2012	11,068	11,401
m/v Strategic Vision	December 2024	Handysize	2012	11,068	10,591
m/v Strategic Tenacity	December 2024	Handysize	2012	10,705	10,247
Miss Nora G. Pearl	November 2017	Deck Barge	1979	3,833	1,597
Total				<u>\$ 839,333</u>	<u>\$ 696,238</u>

Recent Accounting Pronouncements

The Company considers the applicability and impact of all accounting standard updates (“ASU”) issued by the Financial Accounting Standards Board (the “FASB”). ASUs not listed were assessed by the Company and either determined to be not applicable or expected to have minimal impact on its consolidated financial statements.

Recently Issued Accounting Standards Not Yet Adopted

In November 2024, the FASB released ASU 2024-03, which focuses on Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses. This update requires the disclosure of additional information regarding specific expense categories in the financial statement notes. It becomes effective for annual periods starting after December 15, 2026, and for interim periods starting after December 15, 2027, with early adoption permitted. The update can be applied either prospectively to financial statements issued for reporting periods after the effective date or retrospectively to any or all prior periods presented in the financial statements. The Company is currently assessing the impact of ASU 2024-03 on its disclosures in the consolidated financial statements.

In May 2025, the FASB issued ASU 2025-03, Business Combinations (Topic 805) and Consolidation (Topic 810): Determining the Accounting Acquirer in the Acquisition of a Variable Interest Entity. This update provides guidance on identifying the accounting acquirer when a variable interest entity (“VIE”) that meets the definition of a business is acquired primarily through the exchange of equity interests. The amendments are intended to improve consistency in determining the accounting acquirer in transactions involving VIEs that qualify as businesses.

The standard becomes effective for annual periods beginning after December 15, 2026, and for interim periods within those fiscal years. Early adoption is permitted. The guidance is applied prospectively to applicable transactions occurring after the adoption date.

Because the amendments apply to specific transaction structures involving the acquisition of a VIE that meets the definition of a business, the Company expects the impact of this guidance to depend on the nature and structure of future acquisition transactions. The Company is currently evaluating the potential impact of ASU 2025-03 on its consolidated financial statements and related disclosures.

In May 2025, the FASB also issued ASU 2025-04, Compensation—Stock Compensation (Topic 718) and Revenue from Contracts with Customers (Topic 606): Scope Application of Share-Based Payment Arrangements with Customers. This update clarifies the accounting for share-based payments made to customers, including guidance on performance conditions and forfeitures. The standard becomes effective for annual periods beginning after December 15, 2026, and for interim periods within those fiscal years, with early adoption permitted. The Company is currently assessing the impact of ASU 2025-04 on its consolidated financial statements.

In July 2025, the FASB issued ASU 2025-05, Measurement of Credit Losses for Accounts Receivable and Contract Assets (Topic 326). The amendments provide a practical expedient and an accounting policy election for estimating expected credit losses on current accounts receivable and contract assets arising under ASC 606. The standard is effective for annual periods beginning after December 15, 2025, including interim periods within those annual periods, with early adoption permitted. The amendments are to be applied prospectively. The Company is currently evaluating the adoption of this standard and does not expect the adoption of ASU 2025-05 to have a material impact on its consolidated financial statements or related disclosures.

Important Financial and Operational Terms and Concepts

The Company uses a variety of financial and operational terms and concepts when analyzing its performance.

These include revenue recognition, deferred revenue, allowance for credit losses, vessels and depreciation and long-lived assets impairment considerations, as defined above as well as the following:

Voyage Revenue. Voyage revenue is derived from voyage charters which involve the carriage of cargo from a load port to a discharge port, which is predetermined in each voyage contract. Gross revenue is calculated by multiplying the agreed rate per ton of cargo by the number of tons loaded. The Company directs how and for what purpose the vessel is used and therefore, these voyage contracts do not contain leases.

Charter Revenue. Charter revenue is earned when the Company lets a vessel it owns or operates to a charterer for a specified period of time. Charter revenue is based on the agreed rate per day. These time-charter arrangements contain leases because the lessee has the power to direct the use and receives substantially all of the economic benefits from the use of the vessel. The operating lease component and the vessel operating expense non-lease component of a time-charter contract are reported as a single component.

Terminal & Stevedore Revenue. Terminal & Stevedore revenue is derived from inbound and outbound cargo handling services at ports which the Company operates in. Gross revenue is earned typically based on a per-unit rate for volumes handled.

Voyage Expenses. The Company incurs expenses for voyage charters, including bunkers (fuel), port charges, canal tolls, brokerage commissions and cargo handling operations, which are expensed as incurred.

Charter Expenses. The Company charters in vessels to supplement its owned fleet to support its voyage charter operations. The Company hires vessels under time charters with third party vessel owners, and recognizes the charter hire payments as an expense on a straight-line basis over the term of the charter. Charter hire payments are typically made in advance, and the unrecognized portion is reflected as advance hire in the accompanying consolidated balance sheets. Under the time charters, the vessel owner is responsible for the vessel operating costs such as crews, maintenance and repairs, insurance, and stores.

Vessel Operating Expenses. Vessel operating expenses represent the cost to operate the Company's owned vessels. Vessel operating expenses include crew hire and related costs, the cost of insurance, expenses relating to repairs and maintenance, the cost of spares and consumable stores, tonnage taxes, other miscellaneous expenses, and technical management fees. These expenses are recognized as incurred. Technical management services include day-to-day vessel operations, performing general vessel maintenance, ensuring regulatory and classification society compliance, arranging the hire of crew, and purchasing stores, supplies, and spare parts.

Terminal & Stevedore Expenses. Terminal & Stevedore expenses represent the cost to provide the Company's cargo handling services. Terminal & Stevedore expenses include direct labor and related costs, the cost of insurance, expenses relating to repairs and maintenance of shore based equipment, trucking, and other direct miscellaneous expenses.

Fleet Data. The Company believes that the measures for analyzing future trends in its results of operations consist of the following:

- **Shipping days.** The Company defines shipping days as the aggregate number of days in a period during which its owned or chartered-in vessels are performing either a voyage charter (voyage days) or a time charter (time charter days).
- **Daily vessel operating expenses.** The Company defines daily vessel operating expenses as vessel operating expenses divided by ownership days for the period. Vessel operating expenses include crew hire and related costs, the cost of insurance, expenses relating to repairs and maintenance, the costs of spares and consumable stores, tonnage taxes, other miscellaneous expenses, and technical management fees.
- **Chartered in days.** The Company defines chartered in days as the aggregate number of days in a period during which it chartered in vessels from third party vessel owners.
- **Time Charter Equivalent "TCE" rates.** The Company defines TCE rates as total revenues less voyage expenses divided by the length of the voyage, which is consistent with industry standards. TCE rate is a common shipping industry performance measure used primarily to compare daily earnings generated by vessels on time charters with daily earnings generated by vessels on voyage charters, because rates for vessels on voyage charters are generally not expressed in per-day amounts while rates for vessels on time charters generally are expressed in per-day amounts.

Selected Financial Data

The following tables present selected financial and operating data of the Company for the periods indicated. The selected consolidated financial data has been derived from the Company's audited consolidated financial statements.

	December 31, 2025	December 31, 2024
Selected Data from the Consolidated Statements of Income		
Voyage revenue	\$ 577,547	\$ 494,107
Charter revenue	39,258	30,326
Terminal & stevedore revenue	15,236	12,103
Total revenue	632,041	536,536
Voyage expense	283,679	237,479
Charter hire expense	129,735	130,764
Vessel operating expenses	94,948	55,544
Terminal & stevedore expenses	12,189	9,299
Total cost of transportation and service revenue	520,551	433,085
Transportation and service depreciation and amortization	42,336	30,266
Gross Profit	69,154	73,185
Other operating expenses	31,210	24,736
Gain on sale of vessels	(3,000)	—
Income from operations	40,944	48,449
Total other expense, net	(20,777)	(16,679)
Net income	20,167	31,769
Income attributable to noncontrolling interests	(798)	(2,866)
Net income attributable to Pangaea Logistics Solutions Ltd.	\$ 19,369	\$ 28,903

Net income per common share information

Basic income per share	\$ 0.30	\$ 0.64
Diluted income per share	\$ 0.30	\$ 0.63
Weighted-average common shares Outstanding - basic	63,802,958	45,391,855
Weighted-average common shares Outstanding - diluted	64,703,473	46,046,044
Cash dividends declared per share	\$ 0.25	\$ 0.40

Selected Data from the Consolidated Balance Sheets

Cash, cash equivalents and restricted cash	\$ 103,324	\$ 86,805
Total assets	\$ 928,096	\$ 936,457
Total secured debt, financing obligations, and finance leases	\$ 372,208	\$ 397,372
Total shareholders' equity	\$ 474,736	\$ 474,664

Selected Data from the Consolidated Statements of Cash Flows

Net cash provided by operating activities	\$ 53,726	\$ 65,691
Net cash provided by (used in) investing activities	\$ 11,411	\$ (67,694)
Net cash used in by financing activities	\$ (48,619)	\$ (10,230)

Key Operating Metrics

	2025	2024
Voyage days	20,322	15,669
Time charter days	3,007	1,738
Total shipping days ⁽¹⁾	23,329	17,407
TCE Rate (\$/day) ⁽²⁾	\$ 14,279	\$ 16,485

⁽¹⁾ Shipping days are defined as the aggregate number of days in a period during which its owned or chartered-in vessels are performing either a voyage charter (voyage days) or time charter (time charter days).

⁽²⁾ Time Charter Equivalent (“TCE”) rate is a non-GAAP measure commonly used in the shipping industry and represents voyage revenue less voyage expenses divided by the number of voyage days.

Non-GAAP Financial Measures

Management uses certain non-GAAP financial measures to evaluate the Company's operating performance. These measures should not be considered in isolation or as a substitute for financial measures prepared in accordance with U.S. GAAP.

The reconciliation of Gross profit to Adjusted Gross Profit and Net income to Adjusted EBITDA is as follows:

	December 31, 2025	December 31, 2024
Gross Profit (GAAP)	\$ 69,154	\$ 73,185
Add:		
Transportation and service depreciation and amortization	42,336	30,266
Adjusted Gross Profit (Non-GAAP) ⁽¹⁾	<u>\$ 111,490</u>	<u>\$ 103,451</u>
Adjusted EBITDA ⁽²⁾		
Net Income	\$ 20,167	\$ 31,769
Interest expense, net	22,375	17,154
Depreciation and amortization	42,475	30,376
Income tax provision (included in Other income)	533	285
Gain on sale of vessel	(3,000)	—
Share-based compensation	4,111	2,788
Unrealized loss on derivative instruments, net	1,355	953
Adjusted EBITDA (Non-GAAP)	<u>\$ 88,015</u>	<u>\$ 83,325</u>

⁽¹⁾ Adjusted gross profit is defined as GAAP gross profit excluding transportation and service depreciation and amortization. Management believes this measure provides investors with additional insight into the operating performance of the Company's shipping operations by excluding non-cash depreciation expenses associated with the Company's vessels. Adjusted gross profit is not a measure recognized under U.S. GAAP and should not be considered as an alternative to gross profit, operating income or net income. The Company's definition of adjusted gross profit may not be comparable to similarly titled measures used by other companies.

⁽²⁾ Adjusted EBITDA represents net income before interest expense, interest income, income taxes, depreciation and amortization, gain or loss on sale of vessels, share-based compensation, unrealized gains or losses on derivative instruments and other non-operating or non-recurring items, if any. Management uses Adjusted EBITDA as a supplemental performance measure and believes it provides investors with useful information to evaluate the Company's operating performance and its ability to generate cash flows from operations. Adjusted EBITDA is also reviewed periodically as a measure of financial performance by the Company's Board of Directors. Adjusted EBITDA is not a measure recognized under U.S. GAAP and should not be considered an alternative to net income, operating income or any other indicator of operating performance prepared in accordance with U.S. GAAP.

Industry Overview

We operate in a cyclical industry subject to macroeconomic shifts, geopolitical volatility and other factors. Our business is also subject to fluctuations in the supply and demand for vessels, together with global demand for drybulk commodities, which impact freight pricing.

The Baltic Dry Index ("BDI"), a broader market measure of the cost to transport drybulk commodities by sea, offers a market view into global supply demand trends and is considered the standard benchmark for drybulk cargo pricing. The BDI averaged 1,681 for 2025, down approximately 4%, compared to an average of 1,754 for 2024. The average published market rates for Panamax, Supramax, and Handysize vessels, reflecting the composition of the company's fleet, also decreased approximately 9%, to an average of \$12,090 in 2025 from \$13,314 in the same period of 2024.

In addition to broader market pressures, our operating results for 2025 also reflect the impact of fleet expansion. At December 30, 2024, the Company acquired 15 vessels to its owned fleet, representing a 58% increase in total vessel count. In July 2025, the Company sold one of these vessels. Overall, available owned shipping days increased by 5,398 days in the current year compared to the same period in 2024, which should be considered when comparing period-over-period performance metrics.

As a result of the industry's volatility, we have experienced fluctuations in our quarterly and annual operating results in the past, and we expect to continue experiencing such fluctuations in the future due to various factors, including cargo demand, vessel supply, competition, and seasonality.

TCE Performance

For the year ended December 31, 2025, the Company's TCE rate decreased by 13% to \$14,279 from \$16,485 in 2024, while dry bulk market rates for Panamax, Supramax, and Handysize vessels decreased by approximately 9%. The Company's TCE rate outperformed the average of the Baltic Panamax, Supramax, and Handysize market indexes, exceeding average market rates by approximately 18%. This outperformance was driven by the Company's long-term contracts of affreightment (COAs), specialized fleet, and cargo-focused strategy.

Results of Operations

Fiscal Year Ended December 31, 2025 Compared to Fiscal Year Ended December 31, 2024

Revenues

Total revenue for the fiscal year ended December 31, 2025 was \$632.0 million, compared to \$536.5 million for the same period in 2024, representing an increase of \$95.5 million, or 18%. The increase was primarily driven by an increase in total shipping days from 17,407 days in 2024 to 23,329 days in 2025, reflecting the expansion of the Company's fleet and increased vessel availability during the period. The increase in shipping days contributed approximately \$182.4 million of additional revenue year over year. This increase was partially offset by lower market charter rates during the period, which reduced revenue by approximately \$86.9 million, as evidenced by a 4% decline in the Baltic Dry Index (BDI) and a 9% decline in average rates for Panamax, Supramax and Handysize vessels.

Components of revenue are as follows:

Voyage Revenues: Voyage revenues increased by 17% to \$577.5 million for the fiscal year ended December 31, 2025, compared to \$494.1 million for the same period in 2024. The increase was primarily attributable to a 30% increase in voyage days, from 15,669 days in 2024 to 20,322 days in 2025, resulting from the acquisition of the SSI vessels at the end of 2024. This increase was partially offset by lower market rates as discussed above.

Charter Revenues: Charter revenues increased to \$39.3 million from \$30.3 million, or 29%, for the year ended December 31, 2025 compared to the same period in 2024. The increase was primarily driven by a significant rise in time charter days, which increased 73% to 3,007 days from 1,738 days in the prior-year period. The average time charter rate declined to \$13,056 per day from \$17,450 per day due to timing of entering into certain time charter arrangements in early 2025 at lower market rates, however the higher number of charter days more than offset the rate decrease, resulting in overall revenue growth. The optionality of our chartering strategy allows the Company to selectively release excess ship days, if any, into the market under time charter arrangements.

Terminal & Stevedore Revenues: Terminal & Stevedore revenues increased by 26% for the twelve months ended December 31, 2025 compared to the same period in 2024 due to the addition of 2 new port operations in the current year.

Operating and Business Expenses

The Components of our expenses are as follows:

Voyage Expenses: Voyage expenses for the fiscal year ended December 31, 2025, were \$283.7 million, a 19% increase from \$237.5 million for the year ended December 31, 2024. This increase was primarily driven by a 30% rise in voyage days to 20,322 days from 15,669 days in the prior year, reflecting the Company's expanded fleet. Correspondingly, total bunker, port, and canal costs increased in line with the higher level of operating activity.

Charter Hire Expenses: Charter hire expenses for the fiscal year ended December 31, 2025 were \$129.7 million compared to \$130.8 million for the same period in 2024, representing a slight decrease year over year. Chartered-in days increased to 9,046 days for the fiscal year ended December 31, 2025, compared to 8,523 days in the prior year. This increase in chartered-in activity was largely offset by lower market charter rates for chartered-in vessels during the period.

The average published market rates for Supramax, Panamax and Handysize vessels declined approximately 9%, from an average of \$13,314 in 2024 to \$12,090 in 2025. Consistent with the Company's charter-in strategy, the Company supplements its owned fleet with short-term chartered-in tonnage at prevailing market rates when necessary to meet cargo demand.

Per-day charter hire expenses were \$14,342 for the fiscal year ended December 31, 2025, compared to \$15,342 for the same period in 2024.

Vessel Operating Expenses: Vessel operating expenses for the year ended December 31, 2025, totaled \$94.9 million compared to \$55.5 million recorded for the same period in 2024. Ownership days increased to 14,757 days in 2025 compared to 9,107 days in 2024, reflecting the expansion of the Company's owned fleet following vessel acquisitions during the period. Vessel operating expenses per ownership day increased to \$6,434 in 2025 from \$6,099 in 2024. Technical management fees totaled \$7.4 million in 2025 compared to \$4.7 million in 2024, reflecting, in part, the transition of technical management for eight vessels from Bernhard Schulte Shipmanagement ("BSM") to Seamar, the Company's wholly owned subsidiary.

Terminal & Stevedore Expenses: Terminal and stevedore expenses increased to \$12.2 million for the twelve months ended December 31, 2025, up from \$9.3 million for the same period in 2024. This increase was primarily driven by the addition of 2 new port operations in the current year.

General and Administrative Expenses: For the fiscal year ended December 31, 2025, general and administrative expenses were \$31.1 million, compared to \$24.6 million for the same period in 2024. The increase was primarily attributable to (i) higher compensation-related costs, including a \$1.3 million increase in stock-based compensation expense primarily due to a higher stock price and the acceleration of vesting schedules as the Company transitioned from five-year to four-year and subsequently three-year vesting periods over the past three years; and (ii) an approximately \$5.1 million increase in payroll-related expenses, driven mainly by overall payroll increases and the acquisition of Strategic on December 30, 2024, which increased headcount and added a new office location in Connecticut.

Depreciation and Amortization: The Company depreciates its vessels on a straight-line basis over their estimated useful lives, which range from 25 to 30 years from the date of initial delivery from the shipyard to the original owner. Depreciation is calculated based on the vessel's cost less its estimated residual value. The residual value is determined using an estimated scrap rate per lightweight ton ("lwt"). Effective January 1, 2026, the Company revised certain depreciation estimates for its dry bulk vessels. The estimated useful life range was updated from 25–30 years to 25 years, and the estimated scrap rate was increased from \$300 per lwt to \$400 per lwt, supported by historical demolition prices over the past 15 years.

Depreciation and amortization expense increased by \$12.1 million, or 40%, primarily due to an increase in ownership days, which rose to 14,757 days in 2025 from 9,107 days in 2024 as a result of vessel acquisitions.

Gain on sale of vessels: In the year ended December 31, 2025, the Company recorded a gain of \$3.0 million related to the sale of two vessels. No gain on sale of vessels were recorded for the year ended December 31, 2024.

Unrealized (Loss) Gain on Derivative Instruments: The Company evaluates risks related to fluctuating future freight rates and bunker prices and, when appropriate, actively hedges identified economic risks that may impact the operating income of long-term cargo contracts through forward freight agreements or bunker swaps. The use of these derivatives may result in period-to-period fluctuations in the Company's reported operating results.

The Company recorded an unrealized loss on derivative instruments of \$1.4 million for the year ended December 31, 2025, compared to an unrealized loss of \$1.0 million in the year ended December 31, 2024. For further details, refer to Note 7, *Margin Account, Derivatives, and Fair Value Measures*, in the consolidated financial statements.

Liquidity and Capital Resources

Liquidity and Cash Needs

The Company has historically financed its capital requirements with cash flow from operations, the issuance of common stock, proceeds from non-controlling interests, and proceeds from long-term debt, financing obligations and finance leases. The Company has used its capital primarily to fund operations, vessel acquisitions, and the repayment of debt and the associated interest expense. The Company may consider debt or additional equity financing alternatives from time to time. However, if market conditions deteriorate, the Company may be unable to raise additional debt or equity financing on acceptable terms or at all. As a result, the Company may be unable to pursue opportunities to expand its business.

At December 31, 2025 and 2024, the Company had working capital of \$87.7 million and \$82.9 million, respectively. The increase was primarily attributable to higher cash and cash equivalents, partially offset by increases in accounts payable and deferred revenue.

In assessing its ability to continue as a going concern, management considered the Company's history of generating positive operating cash flows (\$53.7 million in 2025, and \$65.7 million in 2024), its cash and restricted cash balances relative to current maturities of secured debt, financing obligations and finance leases, and its contract employment strategy through contracts of affreightment ("COAs"). Management believes that projected operating cash flows, together with cash on hand and available borrowings under existing credit facilities, will be sufficient to meet operating and capital requirements for at least the next twelve months. see *Part II. ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS - Results of Operations*.

The table below summarizes our primary sources and uses of cash for the fiscal years ended December 31, 2025 and 2024.

	2025	2024
Net cash provided by/(used in):		
Operating activities	53,726	65,691
Investing activities	11,411	(67,694)
Financing activities	(48,619)	(10,230)
Net change	<u>\$ 16,519</u>	<u>\$ (12,232)</u>

Operating Activities

Net cash provided by operating activities during the year ended December 31, 2025 was \$53.7 million, compared to net cash provided by operating activities of \$65.7 million during the year ended December 31, 2024. The decrease was primarily attributable to lower net income during the period, partially offset by higher non-cash expenses, including depreciation and amortization.

Non-cash adjustments included depreciation and amortization of \$42.5 million in 2025 compared to \$30.4 million in 2024, reflecting a full year of operations from vessels acquired in connection with the Strategic Shipping Inc. acquisition completed at the end of 2024. Drydocking costs also increased during the year as a result of higher drydock activity across the fleet.

Changes in operating assets and liabilities provided \$6.2 million of cash in 2025 compared to \$1.6 million in 2024. The increase was primarily driven by changes in inventory balances and deferred revenue during the period, partially offset by an increase in accounts receivable. Accounts receivable increased primarily due to higher voyage activity and an increase in voyages in process associated with the Company's higher shipping days. The increase was also impacted by the timing of customer billings and collections near period end.

Investing Activities

Net cash provided by investing activities was \$11.4 million for the year ended December 31, 2025, compared to net cash used in investing activities of \$67.7 million in 2024. The year-over-year improvement was primarily driven by \$17.2 million of proceeds from vessel sales in 2025 and significantly lower capital expenditures, as no new vessels were acquired during the year compared to vessel acquisitions and other capital improvements in 2024.

Dividends received from equity method investments increased to \$4.1 million in 2025 from \$1.9 million in 2024. Cash used for the acquisition of a non-controlling interest totaled \$2.7 million in 2025, related to the purchase of the remaining ownership interest in Seamar, which became a wholly owned subsidiary during the year.

Financing Activities

Net cash used in financing activities was \$48.6 million for the year ended December 31, 2025, compared to \$10.2 million in 2024. The increase in cash used was primarily driven by significantly lower debt proceeds in 2025, as vessel-related financings completed in 2024 were not repeated in the current year.

The Company continued to make scheduled repayments on long-term debt, financing obligations and finance leases, partially offset by refinancing proceeds received during 2025. In addition, the Company repurchased \$3.0 million of ordinary shares and paid \$16.3 million in common stock dividends during 2025, reflecting a lower quarterly dividend rate compared to 2024. Payments to non-controlling interests recorded as a long-term liability in 2024 did not recur in 2025 following the acquisition of the remaining ownership interest.

Capital Expenditures

Capital expenditures primarily relate to vessel acquisitions, ownership interests in vessels and capital improvements that enhance fleet efficiency, safety and regulatory compliance.

As of December 31, 2025, the Company's consolidated fleet consisted of 39 dry bulk vessels, including nine Panamax vessels (six Ice Class 1A), eight Supramax vessels, four Ultramax vessels (including two Ice Class 1C), four Post-Panamax Ice Class 1A vessels and fourteen Handysize vessels.

In addition to vessel acquisitions that the Company may undertake in future periods, its other major capital expenditures include funding its program of regularly scheduled drydockings necessary to maintain and improve its vessels and to comply with international shipping standards and environmental laws and regulations. The Company has some flexibility regarding the timing of drydockings; however, the total cost of these expenditures is unpredictable.

In addition to potential vessel acquisitions, major capital expenditures include regularly scheduled drydockings necessary to maintain and improve vessels and comply with international shipping and environmental regulations. The Company expects to perform thirteen special surveys in 2026 at an aggregate cost of approximately \$15.7 million and two intermediate surveys at an aggregate cost of approximately \$3.0 million. Offhire related to these surveys is expected to range from ten to twenty days per vessel. These expenditures are expected to be funded from operating cash flows.

Critical Accounting Estimates

The preparation of our consolidated financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and the related disclosures. Certain estimates involve a higher degree of judgment and complexity because they require management to make assumptions about matters that are inherently uncertain.

We consider an accounting estimate to be critical if the estimate requires significant judgment and if different assumptions could materially affect our financial condition or results of operations. Management evaluates its estimates on an ongoing basis using historical experience, current market conditions and other factors believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Vessel Asset Impairment

Vessels represent the most significant component of the Company's total assets. The evaluation of vessel impairment requires significant judgment due to the cyclical and volatile nature of the dry bulk shipping industry and fluctuations in vessel market values and charter rates.

The Company reviews its vessels for impairment when events or changes in circumstances indicate that the carrying value of a vessel or vessel group may not be recoverable. Possible indicators of impairment may include events or changes in circumstances affecting the legal environment, the business climate, market value, extent or manner of use, and physical condition of the vessel asset. When such events or changes in circumstances exist, the Company evaluates its vessel assets for impairment by comparing undiscounted future cash flows expected to be generated over the life of each vessel asset to the respective carrying amount. If the Company's estimate of undiscounted future cash flows for any vessel asset for which indicators of impairment exist is lower than the vessel asset's carrying value, and the vessel's carrying value is greater than its fair value, the carrying value is written down, by recording a charge to operations, to the vessel asset's fair value as provided by third parties.

Estimating future cash flows requires management to make significant assumptions regarding future time charter equivalent ("TCE") rates, vessel utilization, operating costs, drydocking expenditures and residual values. Because these assumptions are influenced by global shipping demand, vessel supply and broader economic conditions, they are subject to significant uncertainty.

Future TCE rates represent the most significant assumption in the impairment analysis. For periods covered by existing charters or contracts, contracted rates are used. For periods beyond existing contracts, the Company estimates future TCE rates based on historical performance, current market conditions and industry outlook.

For the years ended December 31, 2025 and 2024, the Company concluded that no impairment indicators were identified and therefore no impairment testing or impairment charges were required.

Changes in assumptions, particularly future charter rates or vessel market values, could materially affect the Company's impairment analysis and could result in impairment charges in future periods.

Revenue Recognition – Voyages in Process

Revenue from voyage charters is recognized over time as the performance obligation is satisfied, generally from the commencement of loading through the completion of discharge. As of each reporting period, the Company estimates the proportion of voyages in process to determine the amount of revenue to recognize.

Estimating voyage progress requires management to make assumptions regarding the stage of completion of voyages at the reporting date. These estimates affect the amount of revenue recognized during the reporting period as well as related balances such as accounts receivable and deferred revenue.

Changes in estimates of voyage progress or voyage duration could affect the timing of revenue recognition between reporting periods.

Borrowing Activities

As of December 31, 2025 and 2024 the Company's borrowing activities primarily consisted of:

- Long-term secured debt, refer to "Note 9, Secured long-term debt" for detail information
- Financing obligations, refer to "Note 9, Secured long-term debt" for detail information
- Finance leases, refer to "Note 10, Finance leases" for detail information

Related Party Transactions

Refer to "Note 8, Related party transactions"

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements as of December 31, 2025 or 2024.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES

Not applicable for a smaller reporting company.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

This information appears following [Item 15](#) of this Report and is included herein by reference.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

There were no disagreements with accountants on accounting or financial disclosure during 2025 or 2024.

ITEM 9A. CONTROLS AND PROCEDURES.

Evaluation of Disclosure Controls and Procedures

Management, with the participation of our Chief Executive Officer (“CEO”) and our Chief Financial Officer (“CFO”), evaluated the effectiveness of our disclosure controls and procedures as of December 31, 2025. The term “disclosure controls and procedures,” as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), means controls and other procedures of a company that are designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC’s rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the company’s management, including its principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosure.

Based on the evaluation performed as of December 31, 2025, our Chief Executive Officer and Chief Financial Officer determined that the Company’s disclosure controls and procedures were effective as of such date.

Inherent Limitations over Internal Controls and Procedures

Our management, including our Chief Executive Officer and Chief Financial Officer, does not expect that our disclosure controls and procedures or our internal control over financial reporting will prevent all errors and all fraud due to inherent limitations of internal controls. Because of such limitations, there is a risk that material misstatements will not be prevented or detected on a timely basis by internal control over financial reporting. However, these inherent limitations are known features of the financial reporting process. Therefore, it is possible to design into the process safeguards to reduce, though not eliminate, this risk.

Management's Report on Internal Controls Over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting (“ICFR”), as defined in Rules 13a-15(f) and 15d-15(f) under the Securities Exchange Act of 1934.

ICFR is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with U.S. generally accepted accounting principles (“U.S. GAAP”). Because of its inherent limitations, ICFR may not prevent or detect misstatements. In addition, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate due to changes in conditions or that compliance with policies or procedures may deteriorate.

Management, with the participation of the Company’s Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of the Company’s internal control over financial reporting as of December 31, 2025 using the criteria established in the Internal Control—Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (“COSO”).

Based on this assessment, management believes that the Company maintained effective internal control over financial reporting as of December 31, 2025.

Our independent registered public accounting firm, Deloitte & Touche LLP, has issued an attestation report on the Company’s internal control over financial reporting. The effectiveness of the Company’s internal control over financial reporting as of December 31, 2025 has been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their report which is included in Part IV. Item 15. Exhibits and Financial Statement Schedules under the heading, “Report of Independent Registered Public Accounting Firm.”

Previously Identified Material Weakness

In connection with the preparation of the Company's consolidated financial statements for the year ended December 31, 2024, management identified a material weakness in internal control over financial reporting regarding the application of ASC 606, Revenue from Contracts with Customers ("ASC 606"), as it relates to certain reimbursements received from its customers for expenses incurred in servicing customer contracts. During 2025, the Company implemented remediation procedures, including enhancements to review and approval procedures for revenue recognition and implementation of additional validation controls within the voyage accounting system, strengthening supervisory review processes to ensure revenue transactions are properly classified in compliance with ASC 606 and implementing controls to align general ledger account mapping with the presentation of amounts in the consolidated financial statements. Management tested these controls and concluded they were operating effectively as of December 31, 2025.

Changes in Internal Control over Financial Reporting

During 2025, the Company implemented remediation measures described above to address the material weakness previously identified.

Other than these remediation activities there were no changes in the Company's internal control over financial reporting during the year ended December 31, 2025 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

ITEM 9B. OTHER INFORMATION.

None.

ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS.

None.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The information required to be disclosed under this Item 10 is incorporated herein by reference to the Company's definitive proxy statement, which will be filed with the Commission pursuant to Regulation 14A within 120 days following the end of the Company's most recent fiscal year (the "2026 Proxy Statement").

Information relating to our Code of Ethics and our Insider Trading Policy and Procedures is included as Exhibit 19.1 to this Report.

We intend to satisfy the disclosure requirements under Item 5.05 of Form 8-K regarding amendment to, or waiver from, a provision of the Code of Ethics for our principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions by posting such information on our website, <https://www.pangaeals.com>.

ITEM 11. EXECUTIVE COMPENSATION

Information regarding compensation of our executive officers is incorporated by reference to the text set forth in the 2026 Proxy Statement under the heading "Executive Compensation."

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT, AND RELATED STOCKHOLDER MATTERS

Information regarding the beneficial ownership of shares of our common stock by certain persons is incorporated by reference to the text set forth in the 2026 Proxy Statement under the heading “Security Ownership of Certain Beneficial Owners and Management.”

ITEM 13. CERTAIN RELATIONSHIPS, RELATED PARTY TRANSACTIONS AND DIRECTOR INDEPENDENCE

Information regarding certain of our transactions and director independence is incorporated by reference to the text set forth in the 2026 Proxy Statement under the heading “Certain Relationships and Related Transactions” and “Director Independence.”

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

Information regarding our accountant fees and services is incorporated by reference to the text set forth in the 2026 Proxy Statement under the heading “Ratification of Appointment of Independent Auditors.”

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

Contents

Page

[Report of Independent Registered Public Accounting Firm \(Deloitte & Touche LLP, PCAOB ID 34\)](#)

[F-1](#)

[Report of Independent Registered Public Accounting Firm \(Grant Thornton LLP, PCAOB ID 248\)](#)

[F-5](#)

Consolidated Financial Statements:

[Consolidated Balance Sheets](#)

[F-5](#)

[Consolidated Statements of Income](#)

[F-6](#)

[Consolidated Statements of Changes in Stockholders' Equity](#)

[F-7](#)

[Consolidated Statements of Cash Flows](#)

[F-8](#)

[Notes to Consolidated Financial Statements](#)

[F-9](#)

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the shareholders and the Board of Directors of Pangaea Logistics Solutions Ltd.

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated balance sheet of Pangaea Logistics Solutions Ltd. and its subsidiaries (the "Company") as of December 31, 2025, and the related consolidated statements of income, changes in stockholders' equity, and cash flows, for the year then ended, and the related notes (collectively referred to as the "financial statements"). We also have audited the Company's internal control over financial reporting as of December 31, 2025, based on criteria established in Internal Control — Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2025, and the results of its operations and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America. Also, in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2025, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by COSO.

Basis for Opinions

The Company's management is responsible for these financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on these financial statements and an opinion on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the financial statements included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures to respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current-period audit of the financial statements that was communicated or required to be communicated to the audit committee and that (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Determination of Long-lived Assets Impairment Indicators —Refer to Note 3 to the financial statements.

Critical Audit Matter Description

The Company's evaluation of long-lived assets for impairment involves an initial assessment of each vessel asset to determine whether events or changes in circumstances exist that may indicate that the carrying amounts of vessel assets are no longer recoverable. Total Vessels and vessel equipment, net as of December 31, 2025, was \$669 million.

Possible indicators of impairment may include events or changes in circumstances affecting the legal environment, the business climate, market value, the extent or manner in which the vessel asset is used, or the physical condition of the vessel asset. When events or changes in circumstances exist, the Company evaluates its vessel assets for impairment by comparing undiscounted future cash flows expected to be generated over the life of each vessel asset to the respective carrying amount. If the Company's estimate of undiscounted future cash flows for any vessel asset for which indicators of impairment exist is lower than the vessel asset's carrying value, and the vessel's carrying value is greater than its fair value, the carrying value is written down, by recording a charge to operations, to the vessel asset's fair value as provided by third parties.

The Company makes significant assumptions to evaluate vessel assets for possible indicators of impairment. Changes in these assumptions could have a significant impact on the vessel assets identified for further analysis. For the year ended December 31, 2025, no impairment loss has been recognized on vessel assets.

We identified the determination of impairment indicators for vessel assets as a critical audit matter because of the significant assumptions management makes when determining whether events or changes in circumstances have occurred indicating that the carrying amounts of vessel assets may not be recoverable. This required a high degree of auditor judgment and an increased extent of effort when performing audit procedures to evaluate whether management appropriately identified impairment indicators.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to the evaluation of vessel assets for possible indicators of impairment included the following, among others:

- We tested the effectiveness of the controls over management's identification of possible circumstances that may indicate that the carrying amounts of vessel assets are no longer recoverable, including controls over management's estimates of the events or changes in circumstances affecting the legal environment, the business climate, market value, the extent or manner in which the vessel asset is used, or the physical condition of the vessel asset.
- We evaluated management's impairment analysis by:
 - Testing vessel assets for possible indicators of impairment, including searching external sources, including industry-specific trade publications for adverse asset-specific and/or market conditions.
 - Developing an independent expectation of impairment indicators and comparing such expectation to management's analysis.

- Obtaining from the Company's management the vessel assets impairment indicators analysis and the assumptions used in the events or changes in circumstances affecting the legal environment, the business climate, market value, the extent or manner in which the vessel asset is used, or the physical condition of the vessel asset, and considered the consistency of the assumptions used with evidence obtained in other areas of the audit. This included, among others, 1) internal communications by management to the board of directors, and 2) external communications by management to analysts and investors.

/s/ Deloitte & Touche LLP

New York, New York
March 16, 2026

We have served as the Company's auditor since 2025.

Report of Independent Registered Public Accounting Firm

Board of Directors and Stockholders
Pangaea Logistic Solutions Ltd.

Opinion on the financial statements

We have audited the accompanying consolidated balance sheet of Pangaea Logistics Solutions Ltd. (a Bermuda corporation) and subsidiaries (the “Company”) as of December 31, 2024, the related consolidated statements of income, changes in stockholders’ equity, and cash flows for the year ended December 31, 2024, and the related notes (collectively referred to as the “consolidated financial statements”). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024, and the results of its operations and its cash flows for the year ended December 31, 2024, in conformity with accounting principles generally accepted in the United States of America.

Basis for opinion

These consolidated financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on the Company’s consolidated financial statements based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audit included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

/s/ GRANT THORNTON LLP

We served as the Company’s auditor from 2013 to 2025

Boston, Massachusetts
March 17, 2025

Pangaea Logistics Solutions Ltd.
Consolidated Balance Sheets As of December 31, 2025 and 2024
(U.S. Dollars in thousands, except for share and per share data)

	December 31, 2025	December 31, 2024
Assets		
Current Assets		
Cash and cash equivalents	\$ 103,054	\$ 86,805
Accounts receivable (net of allowance of \$6,017 and \$5,493 at December 31, 2025 and 2024, respectively)	55,854	42,371
Inventories	28,389	32,848
Advance hire, prepaid expenses and other current assets	28,478	29,969
Total current assets	\$215,776	\$191,994
Restricted cash	270	—
Fixed assets, at cost, net of accumulated depreciation of \$179,988 and \$151,952, at December 31, 2025 and 2024, respectively	677,518	707,826
Finance lease right of use assets, at cost, net of accumulated depreciation of \$12,678 and \$10,698 at December 31, 2025 and 2024, respectively	26,866	28,772
Goodwill	3,105	3,105
Other Non-current Assets	4,561	4,761
Total assets	\$ 928,096	\$ 936,457
Liabilities and stockholders' equity		
Current liabilities		
Accounts payable, accrued expenses and other current liabilities	\$ 54,257	\$ 46,582
Related party payable	806	1,181
Deferred revenue	24,891	15,447
Current portion of long-term debt	16,910	16,576
Current portion of financing obligations	27,896	25,267
Current portion of finance lease liabilities	2,076	2,844
Dividends payable	1,198	1,211
Total current liabilities	128,034	109,108
Secured long-term debt, net	97,157	112,721
Financing Obligations, net	219,774	229,530
Finance lease liabilities, net	8,395	10,434
Commitments and contingencies - Note 12		
Stockholders' equity:		
Common stock, \$0.0001 par value, 100,000,000 shares authorized, 64,973,988 and 64,961,433 shares issued and outstanding at December 31, 2025 and 2024, respectively	7	6
Additional paid-in capital	257,072	258,660
Retained Earnings	172,255	169,155
Total Pangaea Logistics Solutions Ltd. equity	429,333	427,822
Non-controlling interests	45,403	46,843
Total stockholders' equity	474,736	474,664
Total liabilities and stockholders' equity	\$ 928,096	\$ 936,457

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

Pangaea Logistics Solutions Ltd.
Consolidated Statements of Operations for the Years Ended December 31, 2025 and 2024
(U.S. Dollars in thousands, except for share and per share data)

	Years ended December 31,	
	2025	2024
Revenues (net):		
Voyage revenue	\$ 577,547	\$ 494,107
Charter revenue	39,258	30,326
Terminal & stevedore revenue	15,236	12,103
Total revenue	632,041	536,536
Operating expenses:		
Voyage expense	283,679	237,479
Charter hire expense	129,735	130,764
Terminal & stevedore expenses	12,189	9,299
Vessel operating expenses ⁽¹⁾	94,948	55,544
General and administrative	31,071	24,626
Depreciation and amortization	42,475	30,376
Gain on sale of vessels	(3,000)	—
Total operating expenses	591,097	488,088
Income from operations	40,944	48,449
Other (expense) income:		
Interest expense	(24,006)	(17,073)
Interest income	1,632	3,023
Income attributable to Non-controlling interest recorded as long-term liability interest expense	—	(3,103)
Unrealized loss on derivative instruments	(1,355)	(953)
Other income	2,952	1,428
Total other expense, net	(20,777)	(16,679)
Net income	20,167	31,769
Income attributable to noncontrolling interests	(798)	(2,866)
Net income attributable to Pangaea Logistics Solutions Ltd.	\$ 19,369	28,903
Earnings per common share:		
Basic	\$ 0.30	\$ 0.64
Diluted	\$ 0.30	\$ 0.63
Weighted average shares used to compute earnings per common share		
Basic	63,802,958	45,391,855
Diluted	64,703,473	46,046,044

⁽¹⁾ Includes related-party vessel management fees of \$2,183 and \$12 for the years ended December 31, 2025 and 2024, respectively.

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

Pangaea Logistics Solutions Ltd.
Consolidated Statements of Equity For the Years Ended December 31, 2025 and 2024
(U.S. Dollars in thousands, except for share and per share data)

	Common Stock		Additional Paid-in Capital	Retained Earnings	Total Pangaea Logistics Solutions Ltd. Equity	Non- Controlling Interest	Total Stockholders' Equity
	Shares	Amount ⁽¹⁾					
Balance at December 31, 2023	46,466,622	\$ 5	\$ 164,855	\$ 159,027	\$ 323,886	\$ 46,310	\$ 370,196
Share-based compensation	—	—	2,788	—	2,788	—	2,788
Equity Consideration for Strategic Shipping Inc. Acquisition	18,059,342	2	91,017	—	91,019	—	91,019
Issuance of restricted shares, net of forfeitures	435,469	—	—	—	—	—	—
Common Stock Dividend	—	—	—	(18,775)	(18,775)	—	(18,775)
Distribution to Non-Controlling Interests	—	—	—	—	—	(2,333)	(2,333)
Net income	—	—	—	28,903	28,903	2,866	31,769
Balance at December 31, 2024	64,961,433	\$ 6	\$ 258,660	\$ 169,155	\$ 427,822	\$ 46,843	\$ 474,664
Share-based compensation	—	—	4,111	—	4,111	—	4,111
Issuance of restricted shares, net of forfeitures	616,186	—	—	—	—	—	—
Common Stock Dividend	—	—	—	(16,327)	(16,327)	—	(16,327)
Share repurchases	(603,631)	—	(2,999)	—	(2,999)	—	(2,999)
Acquisition of noncontrolling interest	—	—	(2,700)	—	(2,700)	—	(2,700)
Contribution from Non-Controlling interest	—	—	—	57	57	252	309
Distribution to Non-Controlling interests	—	—	—	—	—	(2,490)	(2,490)
Net income	—	—	—	19,369	19,369	798	20,167
Balance at December 31, 2025	64,973,988	\$ 7	\$ 257,072	\$ 172,255	\$ 429,333	\$ 45,403	\$ 474,736

⁽¹⁾ Common stock has a par value of \$0.0001 per share. Amounts are presented in thousands, and therefore par value amounts are not reflected.

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

Pangaea Logistics Solutions, Ltd.
Consolidated Statements of Cash Flows

Years ended December 31,

2025 2024

Operating activities		
Net income	\$ 20,167	\$ 31,769
Adjustments to reconcile net income to net cash provided by operations:		
Depreciation and amortization expense	42,475	30,376
Amortization of deferred financing costs	1,152	1,034
Amortization of prepaid rent	118	122
Unrealized loss on derivative instruments	1,355	953
Income from equity method investee	(2,952)	(1,710)
Earnings attributable to non-controlling interest recorded as interest expense	—	3,103
Provision for doubtful accounts	1,540	1,835
Gain on sales of vessels	(3,000)	—
Drydocking costs	(17,395)	(6,202)
Share-based compensation	4,111	2,788
Change in operating assets and liabilities:		
Accounts receivable	(15,024)	3,686
Inventories	4,459	(11,030)
Advance hire, prepaid expenses and other current assets	(194)	(2,689)
Accounts payable, accrued expenses, other current liabilities and related party payable	7,471	11,839
Deferred revenue	9,444	(182)
Net cash provided by operating activities	<u>53,726</u>	<u>65,691</u>
Investing activities		
Purchase of vessels and vessel improvements	(2,188)	(69,265)
Net proceeds from sale of vessels	17,196	—
Acquisition of non-controlling interest	(2,700)	—
Purchase of equipment and internal use software	(4,299)	(167)
Contribution to non-consolidated subsidiaries and other investments	(733)	(172)
Dividends received from equity method investments	4,135	1,910
Net cash provided by (used in) investing activities	<u>11,411</u>	<u>(67,694)</u>
Financing activities		
Proceeds from long-term debt	705	64,150
Payments of financing and issuance costs	(45)	(2,044)
Payments of long-term debt	(16,590)	(33,082)
Proceeds from financing obligations	18,000	25,000
Payments on financing obligations	(26,052)	(19,181)
Payments of finance leases	(2,844)	(2,990)
Dividends paid to non-controlling interests	(2,490)	(2,333)
Common stock accrued dividends paid	(16,303)	(18,710)
Share repurchases	(2,999)	—
Payments to non-controlling interest recorded as long-term liability	—	(21,040)
Net cash used in financing activities	<u>(48,619)</u>	<u>(10,230)</u>
Net increase (decrease) in cash and cash equivalents	16,519	(12,232)
Cash and cash equivalents at beginning of period	\$ 86,805	\$ 99,038
Cash, cash equivalents and restricted cash at end of period	<u>\$ 103,324</u>	<u>\$ 86,805</u>
Supplemental cash flow items:		
Cash paid for interest	\$ 24,315	\$ 17,983
Acquisition of Strategic Shipping Inc. through issuance of 18,059,342 shares of common stock, with a value of \$91,019 as non-cash consideration.	\$ —	\$ 91,019
Fair value of loans and lease liabilities (ASC 842) assumed	\$ —	100,049

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

NOTE 1 - GENERAL INFORMATION

Pangaea Logistics Solutions Ltd. and its subsidiaries (collectively, the “Company” or “Pangaea”) provides seaborne drybulk logistics and transportation services. Pangaea utilizes its logistics expertise to service a broad base of industrial customers who require the transportation of a wide variety of drybulk cargoes, including grains, pig iron, hot briquetted iron, bauxite, alumina, cement clinker, dolomite and limestone. The Company addresses the logistics needs of its customers by undertaking a comprehensive set of services and activities, including cargo loading, cargo discharge, vessel chartering, voyage planning, and technical vessel management.

As of December 31, 2025, the Company owned three Panamax, two Ultramax Ice Class 1C, two Ultramax, eight Supramax and fourteen Handysize vessels. The Company owns two-thirds of its consolidated subsidiary Nordic Bulk Holding Company Ltd. (“NBHC”) which owns a fleet of six Panamax Ice Class 1A drybulk vessels. The Company previously owned 50% of Nordic Bulk Partners LLC. (“NBP”) which owns a fleet of four Post Panamax Ice Class 1A drybulk vessels. On November 6, 2024, Pangaea Logistics Solutions Ltd. completed the acquisition of the remaining 50% equity ownership in Nordic Bulk Partners LLC from HS Nordic LLC for \$19.0 million in cash, thereby securing full ownership of Nordic Bulk Partners. Refer to “Note 11, Other Long-Term Liabilities”. The Company also holds a 50% interest in the owner of a deck barge. Additionally, the Company owns port and terminal operations located in Fort Lauderdale, Florida, Baltimore, Maryland, Port Aransas, Texas, Tampa, Florida, and Lake Charles, Louisiana.

NOTE 2 – NATURE OF ORGANIZATION

The consolidated financial statements include the operations of Pangaea Logistics Solutions Ltd. and its wholly-owned subsidiaries (collectively referred to as “the Company”), as well as other entities consolidated pursuant to Accounting Standards Codification (“ASC”) 810, *Consolidation*. A summary of the Company’s consolidation policy is provided in Note 3. A summary of the Company’s variable interest entities is provided at Note 5.

At December 31, 2025 and 2024, entities that are consolidated pursuant to ASC 810-10, but which are not wholly-owned, include the following:

Nordic Bulk Holding Company Ltd. (“NBHC”)

Nordic Bulk Holding Company Ltd. (“NBHC”) is a corporation organized under the laws of Bermuda in October 2012. NBHC was established to own Bulk Nordic Odyssey Ltd. (“Bulk Odyssey”) and Bulk Nordic Orion Ltd. (“Bulk Orion”) and to invest in additional vessels through wholly-owned subsidiaries.

On September 28, 2020, the Company acquired an additional one-third equity interest in NBHC from an existing shareholder. As of December 31, 2025, the Company owns a two-thirds equity interest in NBHC, with the remaining one-third owned by an independent third party.

The Company determined that NBHC is a VIE and that it is the primary beneficiary of NBHC, as it has the power to direct its activities through time charter arrangements with Pangaea Denmark covering all of its owned vessels. Accordingly, the Company has consolidated NBHC for the years ended December 31, 2025 and 2024.

NBHC owns the following Marshall Island corporations for the purpose of owning the respective vessels:

- Bulk Nordic Odyssey (MI) Corp. – m/v Nordic Odyssey
- Bulk Nordic Orion (MI) Corp. – m/v Nordic Orion
- Bulk Nordic Oshima (MI) Corp. – m/v Nordic Oshima
- Bulk Nordic Olympic (MI) Corp. – m/v Nordic Olympic
- Bulk Nordic Odin (MI) Corp. – m/v Nordic Odin
- Bulk Nordic Oasis (MI) Corp. – m/v Nordic Oasis

Venture Logistics NL Inc. (“VLNL”)

Venture Logistics NL Inc. (“VLNL”) is a corporation organized under the laws of Newfoundland and Labrador, Canada on October 19, 2018. VLNL was established to own and operate a deck barge.

As of December 31, 2025, the Company holds a 50% ownership interest in VLNL, with the remaining 50% owned by an independent third party. The Company determined that VLNL is a variable interest entity (“VIE”) and that the Company is the primary beneficiary, as the Company has the power to direct the activities that most significantly impact VLNL’s economic performance through commercial and technical management arrangements. Accordingly, the Company consolidates VLNL in its consolidated financial statements.

Nordic Bulk Partners LLC (“NBP”)

Nordic Bulk Partners LLC (“NBP”) is a limited liability company organized under the laws of the Republic of the Marshall Islands in September 2019. NBP was established to fund the construction and subsequently own four Post-Panamax newbuilding vessels through its wholly-owned subsidiaries: Bulk Seven, Bulk Eight, Bulk Nine, and Bulk Ten.

These subsidiaries were formed in September 2019 to construct and own the following vessels, all of which were delivered in 2021:

- m/v Nordic Nuluujaak
- m/v Nordic Qinngua
- m/v Nordic Sanngijjuq
- m/v Nordic Siku

Prior to November 6, 2024, the Company held a 50% equity interest in NBP. On November 6, 2024, Pangaea Logistics Solutions Ltd. acquired the remaining 50% equity interest in NBP from HS Nordic LLC for \$19.0 million in cash, resulting in full ownership of NBP.

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of the Company and its subsidiaries is presented to assist in understanding the Company’s consolidated financial statements. These accounting policies conform to accounting principles generally accepted in the United States, and have been applied in the preparation of the consolidated financial statements.

Basis of Presentation

The accompanying consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles (“U.S. GAAP”). The accompanying consolidated financial statements present separately our financial position, results of operations, cash flows, and changes in shareholders’ equity.

The consolidated financial statements include the accounts of Pangaea Logistics Solutions Ltd. and its subsidiaries, and all intercompany balances and transactions have been eliminated in consolidation. Unless otherwise indicated, amounts are presented in thousands of U.S. dollars, except for share amounts, per share amounts and certain operating metrics, including time charter equivalent (“TCE”) rates, operating expense per day and Baltic Dry Index (“BDI”) data.

Certain reclassifications have been made to prior periods to conform to current period presentation.

Principles of Consolidation

The purpose of consolidated financial statements is to present the financial position and results of operations of a company and its subsidiaries as if the group were a single company. The first step in the Company’s consolidation policy is to determine whether an entity is to be evaluated for potential consolidation based on its outstanding voting interests or its variable interests. Accordingly, the Company first determines whether the entity is a Variable Interest Entity (“VIE”) pursuant to the provisions of ASC 810-10. If the entity is a VIE, consolidation is based on the entity’s variable interests and not its outstanding voting shares. If the entity is not determined to be a VIE, the Company evaluates the entity based on its outstanding voting interests.

Amounts pertaining to the non-controlling interests and redeemable noncontrolling interests held by third parties in the financial position and operating results of the Company's subsidiaries and/or consolidated VIEs are reported as non-controlling interest and redeemable noncontrolling interests in the accompanying consolidated balance sheets.

As part of the Company's consolidation process, all intercompany balances and transactions are eliminated in the consolidated financial statements.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Significant estimates include:

- The fair value of assets and liabilities acquired in business combinations, including assumptions used in purchase price allocations.
- The assessment of long-lived assets for impairment under ASC 360, which involves assumptions about future cash flows, discount rates, and other relevant factors.
- The percentage completion of spot voyages.
- The establishment of the allowance for credit losses.
- The estimate of salvage value used in determining vessel depreciation expense.

Management reviews these estimates periodically and reflects the effects of revisions in the period in which they are determined.

Revenue Recognition

Voyage Charter Revenue

Voyage revenues represent revenues earned by the Company from providing transportation services under voyage charters. A voyage charter involves the carriage of a specified quantity and type of cargo from a load port to a discharge port.

The Company's performance obligation is to transport the cargo from the load port to the discharge port. Consideration under these contracts is generally determined based on a freight rate per metric ton of cargo transported or, in certain cases, a lump-sum freight amount for the entire voyage.

Revenue is recognized over time using the input method, proportionate to the days elapsed relative to the total estimated duration of the voyage. Voyage revenue is recognized over the period between the load port and discharge port and is presented net of address commissions.

Demurrage, which is included in voyage revenues, represents payments by the charterer when loading or discharging time exceeds the stipulated time in the voyage charter. Conversely, the charterer may receive credits if loading or discharging occurs within the allowed laytime. Demurrage and despatch represent variable consideration and are estimated at contract inception and updated as necessary.

Time Charter Revenue

Charter revenues relate to time charter arrangements under which the Company provides a vessel to a charterer for a specified period of time.

These arrangements are accounted for as operating leases under ASC 842 and therefore do not fall within the scope of ASC 606.

Revenue from time charters is recognized on a straight-line basis from the delivery of the vessel to the charterer until the vessel is redelivered to the Company. Revenue is not earned during off-hire periods, which generally occur when a vessel is unavailable for service due to repairs, maintenance, or other circumstances.

Contract Fulfillment Costs

Costs incurred in fulfilling voyage charter contracts that meet the capitalization criteria under ASC 340-40 are deferred and recognized as the related performance obligations are satisfied.

These costs primarily consist of bunker consumption, port expenses, and charter hire expenses incurred after completion of the previous vessel employment and prior to arrival at the load port. Such costs are capitalized within bunker inventory, advance hire, prepaid expenses and other current assets and are recognized as expenses as the related voyage revenues are recognized.

Stevedoring and Terminal Services

In stevedoring service contracts, the Company provides cargo handling services and is generally compensated based on a rate per unit of cargo handled. Revenue is recognized when the related services are performed.

In terminal service contracts, the Company performs a range of port terminal activities including labor, storage, handling and cargo transfer. Revenue is recognized over time or at a point in time depending on the nature of the performance obligation.

Contract Assets and Contract Liabilities

Assets and liabilities related to voyage contracts are reported on a contract-by-contract basis at the end of each reporting period.

Contract assets include accrued receivables that arise when revenue is recognized in advance of billing. Contract liabilities consist primarily of deferred revenue, which arises when amounts are billed to or collected from customers in advance of revenue recognition and are generally recognized within twelve months.

As a practical expedient, the Company has elected not to disclose the aggregate amount of the transaction price allocated to unsatisfied performance obligations for contracts with an original expected duration of one year or less.

Deferred Revenue

Cash received in advance of providing services is recorded as deferred revenue. Deferred revenue recognized in the consolidated balance sheets is expected to be realized within twelve months of the balance sheet date. Deferred revenue recognized during the years ended December 31, 2025 and 2024 included amounts that were recorded as deferred revenue as of December 31, 2024 and December 31, 2023, respectively.

Voyage Expenses

The Company incurs expenses for voyage charters that include bunkers (fuel), port charges, canal tolls, broker commissions and cargo handling operations, which are expensed as incurred.

Charter Expenses

The Company charters in vessels to supplement its owned fleet to support its voyage charter operations. The Company hires vessels under time charters with third party vessel owners, and recognizes the charter hire payments as an expense on a straight-line basis over the term of the charter. Charter hire payments are typically made in advance, and the unrecognized portion is reflected as advance hire in the accompanying consolidated balance sheets. Under time charters, the vessel owner is responsible for the vessel operating costs such as crews, maintenance and repairs, insurance, and stores.

Vessel Operating Expenses

Vessel operating expenses (“VOE”) represent the cost to operate the Company’s owned vessels. VOE include crew wages and related costs, the cost of insurance, expenses relating to repairs and maintenance, the cost of spares and consumables, other miscellaneous expenses, and technical management fees. Technical management services include day-to-day vessel operations, performing general vessel maintenance, ensuring regulatory and classification society compliance, arranging the hire of crew and purchasing stores, supplies and spare parts. These expenses are recognized as incurred.

Terminal & Stevedore Expenses

Terminal & Stevedore expenses represent the cost to provide the Company's cargo handling services. Terminal & Stevedore expenses include direct labor and related costs, the cost of insurance, expenses relating to repairs and maintenance of shore based equipment, trucking, and other direct miscellaneous expenses.

Concentrations of Credit Risk

The Company's financial instruments that are exposed to concentrations of credit risk consist primarily of cash equivalents, trade receivables and derivative instruments. The Company has certain domestic and foreign cash balance that exceed the insured limits set by the Federal Deposit Insurance Corporation (FDIC) in the United States and equivalent regulatory agencies in countries. The Company maintains its cash accounts with various high-quality financial institutions in the United States, Germany, and Bermuda. The Company performs periodic evaluations of the relative credit standing of these financial institutions. The Company does not believe that significant concentration of credit risk exists with respect to these cash equivalents. Trade accounts receivable are recorded at the invoiced amount, and do not bear interest. The Company performs ongoing credit evaluations of its customers' financial condition, but does not require collateral. Historically, credit risk with respect to trade accounts receivable has been considered minimal due to the long-standing relationships with significant customers, and their relative financial stability. However, current economic conditions could impact the collectability of certain customers' trade receivables, which could have a material effect on the Company's results of operations. Derivative instruments are recorded at fair value. The Company does not have any off-balance sheet credit exposure related to its customers.

At December 31, 2025, one customer represented 28% of the Company's trade accounts receivable. At December 31, 2024, there were two customers that accounted for 49% of the Company's trade accounts receivable, one accounted for 35% and the other accounted for 14%.

At December 31, 2025, the United States accounted for 55% of accounts receivable. At December 31, 2024, the United States and Canada accounted for 67% of accounts receivable.

For the year ended December 31, 2025, the Company had two countries that accounted for at least 10% of revenue; the United States represents 28% and Canada represents 10%. For the year ended December 31, 2024, the Company had two countries that accounted for at least 10% of revenue; the United States represents 32% and Canada represents 14%.

For the year ended December 31, 2025, no customer accounted for 10% or more of total revenue. For the year ended December 31, 2024, one customers accounted for 10% or more of total revenue.

Cash and Cash Equivalents

Cash comprises cash on hand. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash, are subject to an insignificant risk of change in value, and have original maturities of three months or less.

Allowance for Credit Losses

The Company maintains a specific reserve for outstanding accounts that are considered partially or fully uncollectible. Additionally, reserves for accounts receivable are established based on account aging and historical collection trends. These reserves are adjusted as new information becomes available or payments are received.

At December 31, 2025, and 2024, the Company provided an allowance for credit losses of \$6,017 and \$5,493 respectively, for amounts that are not expected to be fully collected. The provision for credit losses was \$1,540 in 2025 and \$1,835 in 2024. Write-offs totaled \$1,016 in 2025 and \$2,000 in 2024, reflecting amounts determined to be uncollectible.

Bunker Inventory

Inventory is primarily consists of consumable bunker fuel purchased and stored onboard vessels. Inventory is measured at the lower of cost, determined using the first-in, first-out method, or net realizable value.

Advance Hire, Prepaid Expenses and Other Current Assets

Advance hire represents payments made to vessel owners under time charter arrangements for hire periods subsequent to the balance sheet date. Hire is typically paid in advance for the following fifteen days, although intervals may vary depending on the terms of the time charter agreement.

Prepaid expenses include advance funding to the technical manager for vessel operating expenses, lubricating oils and stores kept on board owned vessels, certain voyage expenses paid in advance and direct costs incurred to fulfill a COA ("Contract of Affreightment"). These specifically identified costs are used to satisfy the contract and are expected to be recovered over the term of the COA. Such costs are amortized on a straight-line basis and charged equally to each of the voyages under the contract.

Accrued receivables include accrued demurrage and balance of freight receivable.

Cash margin on deposit represents collateral posted with derivative counterparties. Derivative assets represent the fair value of derivative instruments when the mark-to-market value of the contracts is favorable to the Company.

Other current assets primarily include various operational deposits and other miscellaneous receivables.

At December 31, advance hire, prepaid expenses and other current assets were comprised of the following:

	December 31, 2025	December 31, 2024
Advance hire	\$ 3,394	\$ 3,348
Prepaid expenses	7,916	9,517
Accrued receivables	11,184	7,352
Cash margin on deposit	572	3,268
Derivative assets	524	2,047
Other current assets	4,887	4,436
Total	\$ 28,478	\$ 29,969

Other Non-current Assets

At December 31, other non-current assets were comprised of the following:

Name	December 31, 2025	December 31, 2024
Intangible Assets, net - Note 16: Acquisitions ⁽¹⁾	\$ 576	\$ 1,009
Investment in Seamar Managements S.A.	—	236
Investment in Bay Stevedoring	2,032	1,895
Investment in Narragansett Bulk Carriers (US) Corp	520	520
Other investments	1,433	1,101
Total	\$ 4,561	\$ 4,761

⁽¹⁾ Intangible assets represent acquired assets, including licenses, contracts, and other rights, net of accumulated amortization totaling \$1,675.

Depreciation of Vessels and Other Fixed Assets

Vessels and other fixed assets are stated at cost less accumulated depreciation. Vessel cost includes the contract price and acquisition costs. Significant improvements are capitalized, while maintenance and repairs that do not improve or extend the useful lives of the vessels are expensed as incurred.

Depreciation of vessels is calculated using the straight-line method over their estimated useful lives, based on cost less estimated salvage value. Prior to January 1, 2026, depreciation excluded periods during which a vessel was in dry dock. Effective January 1, 2026, the Company revised its depreciation policy to include periods during which a vessel is in dry dock in the calculation of depreciation expense.

Each vessel's salvage value is equal to the product of its lightweight tonnage and an estimated scrap rate. The Company estimates scrap rates based on historical average demolition prices per lightweight ton. Effective January 1, 2026, the Company increased the estimated scrap rate from \$300 per ton to \$400 per ton, supported by historical demolition prices over the past 15 years.

Additionally, effective January 1, 2026, the Company revised the estimated useful life of its dry bulk vessels from a range of 25 years to 30 years to 25 years from the date of initial delivery from the shipyard, based on historical demolition experience and industry practice. The remaining estimated useful lives of the current fleet range from 5 to 20 years.

The changes in estimated scrap rate, useful lives and depreciation methodology are accounted for prospectively as changes in accounting estimates in accordance with ASC 250, Accounting Changes and Error Corrections.

Other fixed assets primarily relate to the Company's port terminal operations and consist mainly of buildings and infrastructure, mobile equipment, vehicles, furniture and fixtures, and operational gear and attachments. These assets are recorded at cost and depreciated using the straight-line method over their estimated useful lives, generally seven years for buildings and infrastructure and furniture and fixtures, and five years for mobile equipment, vehicles and operational gear and attachments. Depreciation begins when the asset is placed into service.

The Company periodically reviews the estimated useful lives and residual values of its vessels and other fixed assets and adjusts these estimates prospectively when appropriate.

Vessels held for sale are carried at estimated fair value less cost to sell. No additional depreciation expense is recorded for vessels categorized as held for sale.

Deferred Drydock Cost

Significant upgrades made to the vessels during dry docking are capitalized when incurred and amortized on a straight-line basis over the 5 year period until the next dry docking for vessels younger than 15 years, and over the 2.5 years period until next dry docking for vessels older than 15 years at time of dry docking. Costs capitalized as part of the dry docking include direct costs incurred to meet regulatory requirements that add economic life to the vessel, that increase the vessel's earnings capacity or which improve the vessel's efficiency. Direct costs include the shipyard costs, parts, inspection fees, steel, blasting and painting. These costs are recorded in Fixed assets, net or Finance lease right of use assets, net on the Consolidated Balance Sheets. Expenditures for normal maintenance and repairs, whether incurred as part of the dry docking or not, are expensed as incurred. Unamortized dry-docking costs of vessels that are sold are written off and included in the calculation of the resulting gain or loss on sale.

Long-lived Assets Impairment Considerations

The Company evaluates the recoverability of its vessel assets in accordance with ASC 360, Property, Plant, and Equipment. Possible indicators of impairment may include events or changes in circumstances affecting the legal environment, the business climate, market value, the extent or manner in which the vessel asset is used, or the physical condition of the vessel asset.

When such events or changes in circumstances exist, the Company evaluates its vessel assets for impairment by comparing the undiscounted future cash flows expected to be generated over the remaining useful life of each vessel asset to its respective carrying amount. If the estimated undiscounted future cash flows for a vessel asset are less than the carrying amount, the Company then compares the carrying value of the vessel asset to its estimated fair value. If the carrying value exceeds fair value, the vessel asset is written down to its fair value and an impairment loss is recognized in the consolidated statements of operations.

The Company makes significant assumptions when evaluating vessel assets for possible indicators of impairment, including assumptions regarding future charter rates, vessel operating costs, utilization levels and residual values. Changes in these assumptions could have a significant impact on the vessel assets identified for further analysis.

For the year ended December 31, 2025, the Company did not identify any impairment indicators and no impairment loss was recognized on vessel assets.

Financing Costs

Qualifying expenses associated with commercial financing and fees paid to financial institutions to obtain financing are carried as a reduction of the outstanding debt and amortized over the term of the arrangement using the effective interest method. The unamortized portion is included as a reduction of secured long-term debt on the consolidated balance sheets.

The components of net debt issuance costs and bank fees, which are included in secured long-term debt on the consolidated balance sheets are as follows:

	December 31,	
	2025	2024
Debt issuance costs and bank fees paid to financial institutions	\$ 9,644	\$ 7,600
Additional debt issuance costs	45	2,044
Less: accumulated amortization	(6,295)	(5,143)
Unamortized debt issuance costs and bank fees	<u>\$ 3,394</u>	<u>\$ 4,501</u>
Amortization included in interest expense	<u>\$ 1,152</u>	<u>\$ 1,034</u>

Accounts Payable and Accrued Expenses

The components of accounts payable and accrued expenses are as follows:

	December 31,	
	2025	2024
Accounts payable	\$ 14,328	\$ 14,817
Accrued voyage expenses	13,013	7,670
Bunkers suppliers	8,232	7,701
Charter hire payable	7,829	10,420
Accrued compensation	3,791	3,660
Derivative liabilities	1,189	1,183
Accrued expenses - others	5,876	1,130
Total	<u>\$ 54,257</u>	<u>\$ 46,582</u>

Taxation

Changes to Bermuda tax policies may impact our financial position. Under current Bermuda law, we are not subject to tax on income, profits, withholding, capital gains or capital transfers. Furthermore, we obtained from the Minister of Finance of Bermuda under the Exempted Undertakings Tax Protection Act 1966 (as amended) (the "EUTP Act") an assurance that, in the event Bermuda enacts legislation imposing tax computed on profits, income, any capital asset, gain or appreciation, or any tax in the nature of estate duty or inheritance tax, then the imposition of the tax will not be applicable to us or our operations or to our ordinary shares, debentures or other obligations except insofar as such tax applies to persons ordinarily resident in Bermuda or to any taxes payable by us in respect of real property owned or leased by us in Bermuda until March 31, 2035. As a result of changes made to the EUTP Act by the CIT Act (as defined below), this assurance has been made subject to the application of any taxes pursuant to the CIT Act, as described further below.

In the 2023 Budget, the Bermuda government announced the formation of an International Tax Working Group consisting of specialists in international tax matters and representatives of various bodies whose members may be directly impacted by such matters to examine how Bermuda can appropriately implement the Global Minimum Tax initiative. The Working Group reported its findings and provided recommendations to the Bermuda Government in July 2023. The Bermuda Government subsequently issued three public consultation papers as part of its considerations on the introduction of a corporate income tax in Bermuda, on August 8, 2023, October 5, 2023 and November 10, 2023. On December 15, 2023, the Bermuda House of Assembly passed the Corporate Income Tax Act, 2023 (the "CIT Act"), which was also passed by the Senate on December 18, 2023 and will become fully operative with respect to the imposition of corporate income tax on January 1, 2025.

Under the CIT Act, Bermuda corporate income tax will be chargeable in respect of fiscal years beginning on or after January 1, 2025 and will apply only to Bermuda entities that are part of multinational enterprise groups with EUR 750 million or more in annual revenues in at least two of the four fiscal years immediately preceding the fiscal year in question (“Bermuda Constituent Entity Group”). Where corporate income tax is chargeable to a Bermuda Constituent Entity Group, the amount of corporate income tax chargeable for a fiscal year shall be (1) 15% of the net taxable income of the Bermuda Constituent Entity Group less (2) tax credits applicable to the Bermuda Constituent Entity Group under Part 4 of the CIT Act, or as prescribed. The CIT Act introduces certain “qualified refundable tax credits” which are expected to be developed to incentivize companies to support Bermuda residents through investments in key areas such as education, healthcare, housing and other initiatives to support workforce development. Bermuda will continue to monitor developments globally as other jurisdictions implement the OECD’s Global Minimum Tax standards.

The imposition of a Bermuda corporate income tax could, if applicable to the Company or any Bermuda incorporated subsidiary of the Company, have a material adverse effect on the Company’s financial condition and results of operations.

Pangaea Denmark, a wholly-owned subsidiary of the Company, is subject to a Danish tonnage tax. Pangaea Denmark is not taxed on the basis of their actual income derived from their business but on an alternative income determination based on the net tons carrying capability of their fleet. As the tax is not determined based on taxable income, Pangaea Denmark’s tax expense of approximately \$366 and \$389 is included within voyage expenses in the accompanying consolidated statements of income as of December 31, 2025 and 2024, respectively.

Shipping income derived from sources outside the United States is generally not subject to United States federal income tax. U.S. sourced income from the international operation of ships that is considered qualified income and earned by a qualified foreign corporation may also be exempt from U.S. federal income taxation. The exemption requires that a number of tests be satisfied, including qualifying income earned subject to an equivalent exemption in a qualified country and that the qualified foreign corporation meets the qualified foreign country, qualified income, stock ownership tests and substantiation requirements. The Company believes that it meets all of the tests necessary to qualify for the exemption under Section 883 of the Internal Revenue Code. To the extent the Company is unable to qualify for this exemption, the Company would be subject to U.S. federal income taxation of 4% of its U.S. shipping income on a gross basis without deductions. If certain other conditions are present, as defined in the Code, U.S. source shipping income, net of applicable deductions, may be subject to federal income tax of up to 21% and a 30% branch profits tax. The Company believes that none of its U.S. source shipping income is effectively connected with the conduct of a U.S. trade or business.

The earnings from the Company’s international shipping operations are generally not subject to U.S. or foreign income taxation. However, income derived from domestic operations and certain non-shipping activities conducted in the United States is subject to U.S. federal and applicable state income taxes. As a result of the U.S.-based terminal acquisitions completed in June 2023 and the subsequent expansion of terminal operations in 2025, a portion of the Company’s income generated by its fully consolidated subsidiaries is subject to U.S. taxation. Certain subsidiaries also operate in foreign jurisdictions, including Greece through Seamar Management S.A.; however, the Company did not incur material income tax obligations in those jurisdictions for the periods presented.

For the years ended December 31, 2025 and 2024, the Company recorded income tax expense of approximately \$0.5 million and \$0.3 million, respectively, primarily related to its U.S. terminal operations. These amounts were included in other income in the Consolidated Statements of Income.

Where required, the Company complies with income tax filings in its various jurisdictions of operations. As of December 31, 2025 and 2024, the Company is not subject to U.S. federal or foreign examinations by tax authorities for years before 2020.

Restricted Common Share Awards

Compensation cost of restricted share awards is measured using the grant date fair value of the Company's common shares, as quoted on the Nasdaq Capital Market, multiplied by the total number of shares granted with no forfeiture rate applied. Compensation cost is amortized according to the vesting period indicated in the grant agreement. Total compensation cost recognized during the years ended December 31, 2025 and 2024 is \$4,111 and \$2,788, respectively, which is included in general and administrative expenses in the consolidated statements of income.

Dividends

Dividends on common stock are recorded when declared by the Board of Directors. While there are no specific restrictions at the parent company level, certain subsidiaries are subject to restrictions under credit agreements that may limit their ability to declare and distribute dividends to the parent company. For more information on common stock dividends, refer to Note 15, "Stock Incentive Plans and Non-controlling interest."

Noncontrolling Interests

Noncontrolling interests represent ownership interests attributable to third parties in certain consolidated subsidiaries and VIEs. The portion of equity not owned by us in such entities is reflected as Noncontrolling interests within the equity section of the Consolidated Balance Sheets and, in the case of Redeemable noncontrolling interests, within the long-term liabilities section of the Consolidated Balance Sheets.

Equity Method Investments

The Company accounts for its investments in entities over which it exercises significant influence under the equity method of accounting. The Company recognizes its share of the investee's earnings or losses in the consolidated statements of income. Distributions received from equity method investees are evaluated using the nature of distribution approach. Under this approach, distributions received are classified as cash flows from operating activities to the extent they represent returns on investment and as cash flows from investing activities to the extent they represent returns of investment.

Earnings per Common Share

Basic earnings per share ("EPS") is computed by dividing income available to common stockholders by the weighted-average number of common shares outstanding during the period.

Diluted EPS is computed using the treasury stock method. Under this method, the amount of unrecognized compensation cost related to future services by employees who were awarded restricted shares is assumed to be used to repurchase common stock at the average market price during the period. The incremental shares (nonvested less repurchased) are considered to be outstanding for diluted EPS. The Company does not have any anti-Dilutive Securities.

Foreign Exchange

The Company conducts all of its business in U.S. dollars; the functional currency of the Company is the US dollar. Accordingly, transactions denominated in currencies other than the functional currency are measured and recorded in the functional currency at the exchange rate in effect on the date of the transactions. There are no foreign exchange transaction gains or losses reflected in the consolidated statements of income.

Derivatives and Hedging Activities

The Company accounts for derivatives in accordance with the provisions of ASC 815, Derivatives and Hedging. The Company uses interest rate swaps to reduce market risks associated with its operations, principally changes in variable interest rates on its bank debt. Additionally, the Company uses forward freight agreements to protect against changes in charter rates and bunker (fuel) swaps to protect against changes in fuel prices. The Company's interest rate swaps, forward freight agreements (FFAs) and bunker swaps have not qualified for hedge accounting treatment. As such, unrealized gains or losses are recognized as a component of Other expense in the Consolidated Statements of Income. Derivative instruments are measured at fair value and are recorded as assets or liabilities.

The Company is exposed to credit loss in the event of nonperformance by the counterparty to the interest rate swaps, forward freight agreements and bunker hedges.

Segment Reporting

Operating segments are components of a business that engage in revenue-generating activities and incur expenses for which discrete financial information is available and whose operating results are regularly reviewed by the Chief Operating Decision Maker (“CODM”) to allocate resources and assess performance. The Company’s Chief Executive Officer serves as the CODM. Segment information is prepared on the same basis that the CODM uses to manage the Company’s operations, evaluate financial performance, and make key operating decisions.

In accordance with ASC 280, the Company identified the following operating segments: one shipping operating segment and six terminal and stevedoring operating segments. The Company shipping segment is inclusive of ship owning and commercial management companies. The Company evaluated whether aggregation of identified operating segments was appropriate based on the nature of services provided, the type of customers served, methods of service delivery, and economic characteristics. Based on criteria, the Companies operating segments do not qualify for aggregations.

Based on the reportable segment criteria in ASC 280, the Company determined the shipping operating segment is reportable. All other operating segments do not meet the quantitative thresholds for determining reportable segments. We have one reportable operating segment: the shipping segment.

The Company believes this approach aligns with the objective and principles of segment reporting under ASC 280, ensuring that the reportable segment structure reflects how the business is managed and how financial performance is assessed.

The Company will continue to monitor its operating segments and the criteria for aggregation to ensure compliance with ASC 280 and the appropriateness of its segment reporting.

Fair Value of Financial Instruments

The Company measures the fair value of financial instruments in accordance with ASC 820, Fair Value Measurement, which establishes a hierarchy that prioritizes the inputs used to measure fair value. The hierarchy gives the highest priority to observable inputs and the lowest priority to unobservable inputs and is defined as follows:

Level 1 – Quoted prices in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 – Unobservable inputs reflecting the Company’s own assumptions about the assumptions market participants would use in pricing the asset or liability.

The carrying amounts of cash and cash equivalents, accounts receivable, accounts payable and short-term debt approximate fair value due to the short-term maturities of these instruments. The carrying amount of the Company’s floating rate long-term debt approximates fair value due to the variable interest rates associated with these related credit facilities.

The fair value of the Company’s fixed-rate long-term debt is estimated using Level 2 inputs, based on market interest rates for similar instruments with comparable terms and credit characteristics.

At December 31, 2025 and 2024, the Company had eleven and eight fixed rate debt facilities, respectively, outstanding. The aggregate carrying amounts and estimated fair values of the Company’s fixed-rate long-term debt, financing obligations and finance leases are presented below:

	December 31, 2025	December 31, 2024
Carrying amount	\$ 120,849	\$ 120,027
Fair value	\$ 117,356	\$ 113,339

Leases

Under time charter agreements, charterers have the right to control the use of the vessel and direct how and for what purpose the vessel is used during the charter period. Accordingly, the Company has determined that time charter agreements contain a lease component and accounts for these arrangements in accordance with ASC 842, Leases. During the charter period, the Company remains responsible for operating and maintaining the vessels, and these costs are recorded as vessel operating expenses in the Consolidated Statements of Income. The Company has elected the practical expedient under ASC 842 to combine lease and non-lease components for these arrangements, as the timing and pattern of transfer for the lease and related services are the same and the lease component would be classified as an operating lease if accounted for separately.

At December 31, 2025, the Company had seven vessels chartered to customers under time charter agreements that contain leases. These leases had original terms ranging from 25 days to 182 days. Lease payments expected to be received under these arrangements totaled approximately \$4,717 as of December 31, 2025. All lease payments are expected to be received within one year, as each of the time charters is scheduled to be completed within one hundred twelve days or less. The Company does not have any options to extend or terminate these leases.

At December 31, 2024, the Company had six vessels chartered to customers under time charter agreements that contain leases. These leases had original terms ranging from 35 days to 165 days. Lease payments expected to be received under these arrangements totaled approximately \$2,389 as of December 31, 2024. All lease payments were expected to be received within one year, as each of the time charters was scheduled to be completed within one hundred four days or less.

Lessee Arrangements

The Company does not have any sales-type or direct financing leases.

The Company does not have any long-term vessel operating leases as a lessee and has elected the practical expedient related to leases with terms of 12 months or less. The Company's finance lease right-of-use assets and finance lease liabilities were previously presented as "assets under finance lease" and "obligations under finance leases" in prior period financial statements, with no other changes resulting from adoption of the standard.

In addition, the Company maintains five non-cancelable office leases and non-cancelable office equipment leases. The related right-of-use assets and lease liabilities are not material to the consolidated financial statements. Lease costs associated with these arrangements consist primarily of operating lease costs and are recognized within general and administrative expenses in the Consolidated Statements of Income.

Recent Accounting Standards

The Company considers the applicability and impact of all accounting standard updates ("ASU") issued by the Financial Accounting Standards Board (the "FASB"). ASUs not listed were assessed by the Company and either determined to be not applicable or expected to have minimal impact on its consolidated financial statements.

Recently Issued Accounting Standards Not Yet Adopted

In November 2024, the FASB released ASU 2024-03, which focuses on Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses. This update requires the disclosure of additional information regarding specific expense categories in the financial statement notes. It becomes effective for annual periods starting after December 15, 2026, and for interim periods starting after December 15, 2027, with early adoption permitted. The update can be applied either prospectively to financial statements issued for reporting periods after the effective date or retrospectively to any or all prior periods presented in the financial statements. The Company is currently assessing the impact of ASU 2024-03 on its disclosures in the consolidated financial statements.

In May 2025, the FASB issued ASU 2025-03, Business Combinations (Topic 805) and Consolidation (Topic 810): Determining the Accounting Acquirer in the Acquisition of a Variable Interest Entity. This update provides guidance on identifying the accounting acquirer when a variable interest entity ("VIE") that meets the definition of a business is acquired primarily through the exchange of equity interests. The amendments are intended to improve consistency in determining the accounting acquirer in transactions involving VIEs that qualify as businesses.

The standard becomes effective for annual periods beginning after December 15, 2026, and for interim periods within those fiscal years. Early adoption is permitted. The guidance is applied prospectively to applicable transactions occurring after the adoption date.

Because the amendments apply to specific transaction structures involving the acquisition of a VIE that meets the definition of a business, the Company expects the impact of this guidance to depend on the nature and structure of future acquisition transactions. The Company is currently evaluating the potential impact of ASU 2025-03 on its consolidated financial statements and related disclosures.

In May 2025, the FASB also issued ASU 2025-04, Compensation—Stock Compensation (Topic 718) and Revenue from Contracts with Customers (Topic 606): Scope Application of Share-Based Payment Arrangements with Customers. This update clarifies the accounting for share-based payments made to customers, including guidance on performance conditions and forfeitures. The standard becomes effective for annual periods beginning after December 15, 2026, and for interim periods within those fiscal years, with early adoption permitted. The Company is currently assessing the impact of ASU 2025-04 on its consolidated financial statements.

In July 2025, the FASB issued ASU 2025-05, Measurement of Credit Losses for Accounts Receivable and Contract Assets (Topic 326). The amendments provide a practical expedient and an accounting policy election for estimating expected credit losses on current accounts receivable and contract assets arising under ASC 606. The standard is effective for annual periods beginning after December 15, 2025, including interim periods within those annual periods, with early adoption permitted. The amendments are to be applied prospectively. The Company is currently evaluating the adoption of this standard and does not expect the adoption of ASU 2025-05 to have a material impact on its consolidated financial statements or related disclosures.

NOTE 4 - CASH AND CASH EQUIVALENTS

Cash and cash equivalents include short-term deposits with an original maturity of less than three months. Restricted cash primarily represents cash pledged as collateral under certain financing arrangements and amounts held in margin accounts related to derivative instruments and therefore is not available for general corporate purposes.

The following table provides a reconciliation of cash, cash equivalents and restricted cash reported within the consolidated balance sheets to the total of the same amounts shown in the consolidated statement of cash flows:

	December 31, 2025	December 31, 2024
Money market accounts – cash equivalents	\$ 24,828	\$ 33,239
Time deposit accounts - cash equivalents	3,000	10,204
Cash ⁽¹⁾	75,226	43,362
Cash and cash equivalents	103,054	86,805
Restricted cash ⁽²⁾	\$ 270	\$ —
Total cash, cash equivalents and restricted cash shown in the statement of cash flows	<u>\$ 103,324</u>	<u>\$ 86,805</u>

⁽¹⁾ It consists of cash deposits at various major banks.

⁽²⁾ Amounts included in restricted cash represent cash pledged as collateral under certain insurance policies and are therefore not available for general corporate purposes.

As of December 31, 2025 and December 31, 2024, we held cash and cash equivalents in the following subsidiaries:

	December 31, 2025	December 31, 2024
Cash and cash equivalents		
Pangaea ⁽¹⁾	\$ 94,958	\$ 73,909
NBHC ⁽²⁾	7,784	12,063
Deck Barge ⁽³⁾	312	833
Total cash and cash equivalents	<u>\$ 103,054</u>	<u>\$ 86,805</u>

⁽¹⁾ Held by 100% owned Pangaea consolidated subsidiaries

⁽²⁾ Held by a 67% owned Pangaea consolidated subsidiary

⁽³⁾ Held by a 50% owned Pangaea consolidated subsidiary

NOTE 5 - VARIABLE INTEREST ENTITIES

The Company's involvement with variable interest entities ("VIEs") primarily relates to vessel-owning entities and joint ventures established to own and operate vessels or related logistics assets. These entities are generally structured with limited equity at risk and are financed primarily through secured debt arrangements, which may cause them to qualify as VIEs under Accounting Standards Codification ("ASC") 810, Consolidation.

In determining whether the Company is the primary beneficiary of a VIE, management evaluates whether the Company has both (i) the power to direct the activities that most significantly affect the VIE's economic performance and (ii) the obligation to absorb losses or the right to receive benefits that could potentially be significant to the VIE. Activities that most significantly affect the economic performance of these entities typically include commercial management, technical management, chartering decisions, financing arrangements, and vessel operating decisions. These determinations require judgment and consideration of the contractual arrangements governing each entity.

The Company determined that it is the primary beneficiary of these VIEs and therefore consolidates them in its consolidated financial statements.

The assets of consolidated VIEs can generally only be used to settle obligations of those respective entities and are not available to satisfy the obligations of the Company or other consolidated subsidiaries. Similarly, creditors of consolidated VIEs generally have no recourse to the general credit of the Company.

The Company's exposure to loss in these entities is generally limited to its equity investment, any outstanding receivables, and commitments to provide financial or operational support, if applicable. The Company believes that its involvement with these VIEs does not expose it to losses in excess of the amounts recorded in the consolidated financial statements.

As of December 31, 2025 and 2024, the Company did not have any material variable interests in VIEs that were not consolidated.

As of December 31, 2025, the Company has identified the following variable interest entities (VIEs): Bulk Pride, Bulk PODS, Bulk Spirit, Bulk Independence, Bulk Friendship, Bulk Courageous, Bulk Valor, Bulk Promise, Phoenix Bulk 25, Bulk Sachuest, Bulk Prudence, Bulk Brenton, Bulk Patience, NBV, Long Wharf, NBHC, BVH, NBP, FVL, VBC, VNLN, Pangaea Logistics Solutions (US) LLC, Renaissance Holdings LLC, Strategic Alliance, Strategic Equity, Strategic Explorer, Strategic Fortitude, Strategic Harmony, Strategic Synergy, Strategic Tenacity, Strategic Unity, Strategic Venture, Strategic Resolve, Strategic Vision, Strategic Entity, Strategic Spirit, and Strategic Savannah.

Similarly, as of December 31, 2024, the identified VIEs are Bulk Freedom, Bulk Pride, Bulk PODS, Bulk Spirit, Bulk Independence, Bulk Friendship, Bulk Courageous, Bulk Valor, Bulk Promise, Phoenix Bulk 25, Bulk Sachuest, Bulk Prudence, Bulk Brenton, Bulk Patience, NBV, Long Wharf, NBHC, BVH, NBP, FVL, VBC, VNLN, Pangaea Logistics Solutions (US) LLC, Renaissance Holdings LLC, Strategic Alliance, Strategic Equity, Strategic Explorer, Strategic Fortitude, Strategic Harmony, Strategic Synergy, Strategic Tenacity, Strategic Unity, Strategic Venture, Strategic Endeavor, Strategic Resolve, Strategic Vision, Strategic Entity, Strategic Spirit, and Strategic Savannah.

After eliminating any intercompany transactions and balances, the aggregate carrying values of the VIEs' assets and liabilities in the consolidated balance sheets were as follows:

	December 31, 2025					
	Ship- owning ⁽¹⁾	NBHC	NBV	Long Wharf	VLNL	PANL US
Total assets	\$ 371,961	\$ 83,266	\$ 33,105	\$ 1,863	\$ 1,007	\$ 10,749
Total liabilities	\$ 341,213	\$ 39,586	\$ 20,881	\$ 1,863	\$ 5	\$ 6,248
Total stockholders' equity	\$ 30,748	\$ 43,680	\$ 12,224	\$ —	\$ 1,002	\$ 4,501
Non-controlling interest ⁽²⁾	\$ —	\$ 44,423	\$ —	\$ —	\$ 980	\$ —

	December 31, 2024					
	Ship- owning ⁽¹⁾	NBHC	NBV	Long Wharf	VLNL	PANL US
Total assets	\$ 373,481	\$ 89,917	\$ 42,900	\$ 1,859	\$ 941	\$ 5,958
Total liabilities	\$ 365,742	\$ 42,681	\$ 23,641	\$ 1,859	\$ 17	\$ 3,055
Total stockholders' equity	\$ 7,739	\$ 47,236	\$ 19,258	\$ —	\$ 924	\$ 2,904
Non-controlling interest ⁽²⁾	\$ —	\$ 45,608	\$ —	\$ —	\$ 1,235	\$ —

⁽¹⁾ Includes all wholly-owned subsidiaries, refer to Note 2 "Nature of Organization" for additional information.

⁽²⁾ Non-controlling interest is held by third parties.

NOTE 6 - FIXED ASSETS

At December 31, fixed assets consisted of the following:

	December 31, 2025	December 31, 2024
Vessels and vessel upgrades	\$ 815,751	\$ 830,921
Capitalized dry docking	30,271	21,547
	<u>846,022</u>	<u>852,468</u>
Accumulated depreciation and amortization	(176,650)	(148,915)
Vessels, vessel upgrades and capitalized dry docking, net	<u>669,372</u>	<u>703,553</u>
Land and building	3,236	3,003
Computers, equipment and internal use software	8,249	4,308
Other fixed assets	11,484	7,310
Accumulated depreciation	(3,337)	(3,037)
Other fixed assets, net	<u>8,147</u>	<u>4,273</u>
Total fixed assets, net	<u>\$ 677,518</u>	<u>\$ 707,826</u>

At December 31, vessels under finance leases consisted of the following:

	December 31, 2025	December 31, 2024
Vessels under finance lease	\$ 39,544	39,469
Accumulated depreciation and amortization	(12,678)	(10,698)
Vessels under finance lease, net	<u>\$ 26,866</u>	<u>\$ 28,772</u>

The net carrying value of the Company's fleet consists of the following:

	December 31,	
	2025	2024
Owned vessels		
m/v NORDIC ODYSSEY ⁽¹⁾	\$ 16,768	\$ 17,181
m/v NORDIC ORION ⁽¹⁾	16,652	18,144
m/v NORDIC OSHIMA ⁽¹⁾	21,599	23,106
m/v NORDIC OLYMPIC ⁽¹⁾	22,436	22,089
m/v NORDIC ODIN ⁽¹⁾	22,593	21,980
m/v NORDIC OASIS ⁽¹⁾	23,851	23,436
m/v NORDIC NULUUJAAK ⁽²⁾	33,298	34,667
m/v NORDIC QINNGUA ⁽²⁾	33,305	34,655
m/v NORDIC SANNGIJUQ ⁽²⁾	32,973	34,291
m/v NORDIC SIKU ⁽²⁾	33,349	34,672
m/v BULK ENDURANCE	19,417	20,616
m/v BULK PRUDENCE	25,478	26,744
m/v BULK COURAGEOUS	15,347	16,028
m/v BULK CONCORD	16,739	18,511
m/v BULK FREEDOM	—	7,326
m/v BULK PRIDE	10,698	10,678
m/v BULK SPIRIT	10,682	11,961

	December 31,	
	2025	2024
<u>Owned vessels</u>		
m/v BULK PATIENCE	27,066	28,240
m/v BULK BRENTON	27,079	28,256
m/v BULK SACHUEST	15,401	15,678
m/v BULK INDEPENDENCE	11,756	12,622
m/v BULK FRIENDSHIP	11,087	11,957
m/v BULK VALOR	16,695	15,726
m/v BULK PROMISE	17,234	16,344
m/v STRATEGIC FORTITUDE	17,406	16,874
m/v STRATEGIC RESOLVE	14,929	14,606
m/v STRATEGIC EXPLORER	14,646	14,606
m/v STRATEGIC ENTITY	15,060	14,606
m/v STRATEGIC SYNERGY	13,501	14,062
m/v STRATEGIC ALLIANCE	13,501	14,062
m/v STRATEGIC UNITY	13,502	14,062
m/v STRATEGIC HARMONY	13,501	14,062
m/v STRATEGIC EQUITY	13,501	14,062
m/v STRATEGIC VENTURE	13,502	14,062
m/v STRATEGIC SAVANNAH	10,984	11,431
m/v STRATEGIC SPIRIT	11,401	11,068
m/v STRATEGIC VISION	10,591	11,068
m/v STRATEGIC TENACITY	10,247	10,705
m/v STRATEGIC ENDEAVOR	—	7,711
MISS NORA G. PEARL ⁽³⁾	1,597	1,597
	<u>\$ 669,372</u>	<u>\$ 703,553</u>
Other fixed assets, net	8,147	4,273
Total fixed assets, net	<u>\$ 677,518</u>	<u>\$ 707,826</u>
<u>Right of Use Assets</u>		
<i>Finance lease right of use assets:</i>		
m/v BULK XAYMACA	10,127	11,042
m/v BULK DESTINY	16,740	17,729
	<u>\$ 26,866</u>	<u>\$ 28,772</u>

⁽¹⁾ Vessels are owned by NBHC, a consolidated joint venture in which the Company has a two-third ownership interest at December 31, 2025 and December 31, 2024.

⁽²⁾ Vessels are owned by NBP, a consolidated joint venture in which the Company had a 50% ownership interest prior to November 6, 2024, at which time the Company acquired the remaining 50% interest in NBP from a non-affiliate, resulting in full ownership of NBP's fleet of four Post Panamax Ice Class 1A dry bulk vessels at December 31, 2024.

⁽³⁾ Barge is owned by a 50% owned consolidated subsidiary.

The Company capitalized drydocking costs totaling \$17.4 million and \$6.2 million in the twelve months ended December 31, 2025 and 2024, respectively. The amortization period of the capitalized dry docking costs is within the remaining useful life of these vessels and is amortized over the estimated period to next drydocking. These costs are recorded in Fixed assets, net or Finance lease right of use assets, net in the Consolidated Balance Sheets.

NOTE 7 - MARGIN ACCOUNTS, DERIVATIVES AND FAIR VALUE MEASURES

Margin Accounts

During December 31, 2025 and 2024, the Company was party to forward freight agreements and fuel swap contracts in order to mitigate the risk associated with volatile freight rates and fuel prices. Under the terms of these contracts, the Company is required to deposit funds in margin accounts if the market value of the hedged item declines. The funds are required to remain in margin accounts as collateral until the market value of the items being hedged return to preset limits. The margin accounts are included in advance hire, prepaid expenses and other current assets in the consolidated balance sheets at December 31, 2025 and 2024.

Forward Freight Agreements

The Company assesses risk associated with fluctuating future freight rates and, when appropriate, hedges identified economic risk with appropriate derivative instruments, specifically FFAs. These economic hedges do not usually qualify for hedge accounting under ASC 815 and as such, the usage of such derivatives can lead to fluctuations in the Company's reported results from operations on a period-to-period basis.

Fuel Derivatives

The Company continuously monitors the market volatility associated with fuel prices and seeks to reduce the risk of such volatility through a fuel hedging program. The Company enters into fuel derivatives that are not designated for hedge accounting under ASC 815 and, as such, the usage of such derivatives can lead to fluctuations in the Company's reported results from operations on a period-to-period basis.

Interest rate cap

The Company's objectives in using interest rate derivatives are to add stability to interest expense and to manage its exposure to interest rate movements. To accomplish these objectives, the Company primarily uses interest rate swaps and interest rate caps as part of its interest rate risk management strategy. Interest rate caps designated as cash flow hedges involve the receipt of variable amounts from a counterparty if interest rates rise above the strike rate on the contract. In January 2020, the Company entered into four interest rate cap contracts with total notional amount of \$101.0 million as of December 31, 2025 at a cost of \$628 to mitigate the risk associated with increases in interest rates on our sale and lease back financing arrangements of the four new-building vessels. In the event that the three-month SOFR rate rises above the applicable strike rate of 3.51%, the Company would receive quarterly payments related to the spread difference. These interest rate cap agreements do not qualify for hedge accounting treatment.

The estimated fair values of the Company's forward freight agreements and fuel swap contracts are based on market prices obtained from an independent third-party valuation specialist based on published indices. Such quotes represent the estimated amounts the Company would receive or pay to terminate the contracts. The interest rate caps contracts are valued using analysis obtained from independent third party valuation specialists based on market observable inputs, representing Level 2 assets.

The following table summarizes assets and liabilities measured at fair value on a recurring basis at December 31, 2025 and December 31, 2024:

Derivative instruments	Asset Derivative			Liability Derivative		
	Balance Sheet Location	12/31/2025	12/31/2024	Balance Sheet Location	12/31/2025	12/31/2024
Margin accounts ⁽¹⁾	Other current assets	\$ 572	3,268	Other current liabilities	\$ —	\$ —
Forward freight agreements ⁽²⁾	Other current assets	\$ 177	\$ —	Other current liabilities	\$ —	\$ 1,045
Fuel derivatives ⁽²⁾	Other current assets	\$ —	\$ —	Other current liabilities	\$ 1,189	\$ 138
Interest rate cap ⁽²⁾	Other current assets	347	\$ 1,873	Other current liabilities	\$ —	\$ —

(1) The fair value measurements were all categorized within Level 1 of the fair value hierarchy.

(2) These fair value measurements were all categorized within Level 2 of the fair value hierarchy.

The three levels of the fair value hierarchy established by ASC 820, *Fair Value Measurements and Disclosures*, in order of priority are as follows:

Level 1 – Quoted prices in active markets for identical assets or liabilities. Our Level 1 fair value measurements include cash, money-market accounts and time deposit accounts.

Level 2 – Quoted prices for similar assets and liabilities in active markets or inputs that are observable.

Level 3 – Inputs that are unobservable (for example cash flow modeling inputs based on assumptions).

Fair Value Measurements on a Recurring Basis as of December 31, 2025 and 2024:

Derivative Instruments	December 31, 2025				December 31, 2024			
	Total Fair Value	Level 1	Level 2	Level 3	Total Fair Value	Level 1	Level 2	Level 3
Asset Derivative:								
Margin accounts	\$ 572	\$ 572	\$ —	\$ —	\$ 3,268	\$ 3,268	\$ —	\$ —
Forward freight agreements	177	177	—	—	—	—	—	—
Fuel derivatives	\$ —	—	—	—	—	—	—	—
Interest rate cap	347	—	347	—	1,873	—	1,873	—
Total Asset Derivatives	1,096	749	347	—	5,141	3,268	1,873	—
Liability Derivative:								
Forward freight agreements	—	—	—	—	1,045	—	1,045	—
Fuel derivatives	1,189	—	1,189	—	138	—	138	—
Interest rate cap	—	—	—	—	—	—	—	—
Total Liability Derivatives	\$ 1,189	\$ —	\$ 1,189	\$ —	\$ 1,183	\$ —	\$ 1,183	\$ —

The following table presents the effect of our derivative financial instruments on the consolidated statements of operations for the twelve months ended December 31, 2025 and 2024:

Derivative instruments	Unrealized gain (loss) on derivative instruments	
	For the year ended December 31,	
	2025	2024
Forward freight agreements	\$ 1,222	\$ 172
Fuel derivatives	(1,051)	385
Interest rate cap	(1,526)	(1,511)
Total loss	\$ (1,355)	\$ (953)

The estimated fair values of the Company's forward freight agreements and fuel derivatives are based on market prices obtained from an independent third-party valuation specialist. Such quotes represent the estimated amounts the Company would receive to terminate the contracts.

NOTE 8 - RELATED PARTY TRANSACTIONS

Amounts and notes payable to related parties consist of the following:

	December 31, 2025	Activity	December 31, 2024
Trade payables due to Seamar ⁽ⁱ⁾	\$ —	\$ 1,181	\$ (1,181)
MTM Ship Management (“MTM”) ⁽ⁱⁱ⁾	\$ (806)	\$ (4,595)	\$ 3,790

- i. Seamar Management S.A. ("Seamar"): In the second quarter of 2025 the Company consolidated Seamar Management. Accordingly, the intercompany payable balance was eliminated upon consolidation.
- ii. A member of the Board of Directors has partial ownership in MTM Ship Management.

On December 30, 2024, the Company completed its merger with Renaissance Holdings LLC, a wholly owned subsidiary of Strategic Shipping Inc. (“SSI”). In connection with the merger, the Company entered into a Technical Management Agreement with MTM Ship Management (“MTM”), designating MTM as the technical manager for certain vessels within the Company’s fleet.

Under this agreement, MTM provides technical management services including vessel maintenance, crew management, procurement and regulatory compliance.

For the year ended December 31, 2025 and for the period from December 30, 2024 through December 31, 2024, the Company incurred technical management fees of approximately \$2,183 and \$12, respectively, under this arrangement, which are included in Vessel Operating Expenses in the Consolidated Statements of Operations.

NOTE 9 - SECURED LONG-TERM DEBT AND FINANCING OBLIGATIONS

As of December 31, 2025, the Company's outstanding long-term debt consists of the following:

	December 31, 2025	December 31, 2024	Interest Rate (%) ⁽¹⁾	Maturity Date
Long-Term Debt				
Bulk Nordic Odyssey (MI) Corp., Bulk Nordic Orion (MI) Corp. Senior Secured Term Loan Facility ⁽²⁾⁽³⁾	\$ 8,575	\$ 10,573	2.95 %	December 2027
Bulk Nordic Oshima (MI) Corp., Bulk Nordic Odin (MI) Corp., Bulk Nordic Olympic (MI) Corp., Bulk Nordic Oasis (MI) Corp. Secured Term Loan Facility ⁽²⁾⁽³⁾	30,200	35,000	3.38 %	June 2027
\$50 Million Senior Secured Term Loan Facility - Dated August 14, 2024 ⁽⁴⁾	42,254	46,966	6.99 %	May 2029
Bulk Valor Corp. Loan and Security Agreement ⁽²⁾	7,280	8,707	3.29 %	June 2028
Bulk Promise Corp. ⁽²⁾	6,917	8,301	5.45 %	October 2027
Bulk Sachuest ⁽²⁾	6,052	6,919	6.19 %	October 2029
Bulk Prudence	13,465	14,853	6.53 %	July 2029
Pangaea Texas LLC ⁽²⁾	691	—	1.74 %	November 2029
Total Long-Term Debt	\$ 115,434	\$ 131,319		
Less: Unamortized Debt Issuance Costs	(1,366)	(2,022)		
	\$ 114,067	\$ 129,297		
Less: current portion	(16,910)	(16,576)		
Secured long-term debt, net	\$ 97,157	\$ 112,721		

⁽¹⁾ As of December 31, 2025.

⁽²⁾ Interest rates on the loan facilities are fixed.

⁽³⁾ The borrowers under this facility are owned by NBHC. The Company has two-third's ownership interest and STST has one-third ownership interest in NBHC. NBHC is consolidated in accordance with ASC 810-10 and as such, amounts pertaining to the non-controlling ownership held by the third parties in the financial position of NBHC are reported as non-controlling interest in the accompanying balance sheets.

⁽⁴⁾ This facility is secured by the vessels m/v Bulk Endurance, m/v Bulk Brenton, and Bulk Patience, and is guaranteed by the Company.

All the loan terms and key financial covenants for all outstanding debt as of December 31, 2024, remain unchanged as of December 31, 2025. The Company was in compliance with all financial covenants as of December 31, 2025 and 2024. All outstanding loans are secured by the respective underlying assets.

Long-Term Debt Activity in 2025

During the year ended December 31, 2025, the Company entered into the following new long-term debt arrangements. Borrowings outstanding as of December 31, 2025 that were entered into prior to January 1, 2025, including their terms, covenants and repayment schedules, are described in the Company's Annual Report on Form 10-K for the year ended December 31, 2024.

\$0.7 million Installment Sale Contract

On October 31, 2025, Pangaea Texas LLC, a wholly-owned subsidiary of the Company, entered into a \$0.7 million installment sale contract with HOLT Texas, Ltd. in connection with the purchase of two 2025 Caterpillar 938-14 wheel loaders. The total amount financed under the contract was \$705, inclusive of taxes and fees.

The contract bears interest at a fixed annual rate of 1.74% and is payable in 48 equal monthly installments, with a final maturity date of November 10, 2029. Aggregate annual principal and interest payments are approximately \$183 in 2026, 2027 and 2028, and \$167 in 2029. Total interest payable over the term of the contract is approximately \$25.

The obligations are guaranteed by the Company and certain affiliates, secured by the financed equipment, and subject to customary events of default and acceleration provisions. The borrower may prepay in full, subject to an administrative fee.

As of December 31, 2025, the Company is in compliance with all the financial covenants.

Debt Repayments in 2025

Loans that matured and were fully repaid during the year are reflected in the maturity date of the table above.

The future minimum annual payments under the debt agreements are as follows:

	Years ending December 31,
2026	\$ 22,402
2027	50,544
2028	14,500
2029	42,112
Total future minimum payments	<u>129,557</u>
Less: Interest	(14,124)
Less: Unamortized debt issuance costs	(1,366)
Total debt obligation	<u>114,067</u>
Less: current portion	<u>(16,910)</u>
Secured long-term debt, net	<u>\$ 97,157</u>

Financing Obligations Recognized in Failed Sale Leaseback Transactions

The following vessels were acquired through failed sale-leaseback transactions and are accounted for as financing obligations. These transactions do not qualify as leases under ASC 842 because the Company retains control of the vessels and is contractually obligated to repurchase them.

As of December 31, 2025, the Company's financing obligation consists of the following:

	December 31, 2025	December 31, 2024	Interest Rate (%) ⁽¹⁾	Maturity Date
Bulk Spirit Ltd.	5,206	6,346	5.10 %	February 2027
Bulk Friendship Corp. - Bareboat Charter Party dated September 30, 2024	7,200	7,800	6.90 %	August 2029
Bulk Nordic Seven LLC ⁽³⁾⁽⁴⁾	25,092	26,821	7.06 %	May 2036
Bulk Nordic Eight LLC ⁽³⁾⁽⁴⁾	25,085	26,813	7.06 %	June 2036
Bulk Nordic Nine LLC ⁽³⁾⁽⁴⁾	25,300	26,979	7.06 %	September 2036
Bulk Nordic Ten LLC ⁽³⁾⁽⁴⁾	25,433	27,106	7.06 %	November 2036
Bulk Courageous Corp. ⁽²⁾	6,600	7,800	3.93 %	April 2028
Phoenix Bulk 25 Corp. ⁽²⁾	8,769	10,469	4.67 %	February 2029
Bulk Independence	7,000	8,500	5.86 %	December 2028
Bulk Pride	7,000	8,500	5.86 %	December 2028
Tripartite Agreement (m/v Strategic Alliance, m/v Strategic Synergy, Strategic Unity) ⁽²⁾	27,952	30,641	5.52 %	June 2029
SBC Equity LLC	9,495	10,442	5.77 %	August 2031
SBC Explorer LLC	8,208	9,354	5.72 %	March 2030
RHI Fortitude Pte. Ltd.	9,400	10,600	6.02 %	January 2031
SBC Harmony Pte. Ltd.	9,520	10,960	5.82 %	August 2031
RHI Savannah Pte. Ltd.	8,310	9,390	5.95 %	September 2029
RHI Tenacity Pte. Ltd. ⁽²⁾	8,442	9,439	2.31 %	April 2027
SBC Venture Pte. Ltd.	8,007	9,224	5.83 %	July 2031
SBC Spirit Pte. Ltd.	8,525	—	5.71 %	July 2032
SBC Vision Pte. Ltd.	8,730	—	6.07 %	June 2030
<i>Operating Leases:</i>				
Other ⁽⁵⁾	369	—	7.89 %	March 2034
Total	\$ 249,642	\$ 257,184		
Less: unamortized issuance costs, net	(1,972)	(2,387)		
	247,670	254,797		
Less: current portion	(27,896)	(25,267)		
Financing Obligations, net	\$ 219,774	\$ 229,530		

(1) The interest rates presented above represent the effective interest rates applicable to each financing obligation as of December 31, 2025, including the effect of interest rate caps or similar derivative instruments, where applicable.

(2) Interest rates on the loan facilities are fixed.

(3) The Company entered into an interest rate cap effective from second quarter 2026 through fourth quarter 2026, which caps the SOFR at 3.51%.

(4) On October 3, 2024, Pangaea Logistics Solutions Ltd. entered into a definitive agreement to purchase the remaining 50% equity of Nordic Bulk Partners LLC from HS Nordic LLC for \$19.18 million in cash. The transaction was finalized on November 6, 2024, giving Pangaea full ownership of Nordic Bulk Partners. This acquisition grants Pangaea 100% control over Nordic Bulk Partners, which previously held interests in the financing obligations for these vessels.

(5) On April 22, 2024, the Company entered into a 10-year ground lease agreement with the Tampa Port Authority. The related obligation was recorded in other current liabilities as of December 31, 2024 and was reclassified to financing lease obligations as of December 31, 2025.

All the obligation terms and financial covenants for all outstanding financing obligations as of December 31, 2024, remain unchanged as of December 31, 2025. The Company was in compliance with all financial covenants as of December 31, 2025 and 2024. All outstanding financing obligations are secured by the respective underlying assets.

Interest Rates

The Company's financing obligations bear interest at either fixed or variable rates. Variable-rate borrowings are generally based on SOFR plus an applicable margin, while certain facilities bear interest at fixed rates.

As of December 31, 2025, the Company's financing obligations bore interest at rates ranging from approximately 2.31% to 7.89%, excluding commitment fees and other financing costs. The weighted average effective interest rate on the Company's outstanding financing obligations was approximately 6.11% as of December 31, 2025.

December 31, 2025

Weighted average effective interest rate	6.11 %
Range of interest rates (excluding commitment fees)	2.31% - 7.89%

New Financing Obligations in 2025

During the year ended December 31, 2025, the Company entered into the following new financing obligations. Financing obligations recognized prior to January 1, 2025 that remain outstanding as of December 31, 2025 are included in the table above.

Strategic Spirit Bareboat Charter Party dated June 2025

In June 2025, the Company entered into a memorandum of agreement and a related seven-year bareboat charter arrangement in connection with the acquisition of the Strategic Spirit for \$10.0 million.

Under the charter, the Company pays fixed hire of \$0.095 million per month, plus interest on the declining balance at one-month CME Term SOFR plus 1.95%, subject to a zero floor. A \$1.0 million deposit was paid and will be applied against the purchase price upon exercise of the purchase option.

Under ASC 606, the transaction did not qualify as a sale as control of the vessel was not transferred. Accordingly, the arrangement is accounted for as a financing obligation under ASC 842. The Company may purchase the vessel after the second year of the charter period at a declining purchase price ranging from \$7.7 million at the end of year two to \$2.0 million at the end of year seven.

Strategic Vision Bareboat Charter Party dated September 2025

In September 2025, the Company entered into a memorandum of agreement and a related five-year bareboat charter arrangement in connection with the acquisition of the Strategic Vision for \$10.0 million.

Under the charter, the Company pays fixed hire of \$0.27 million per quarter, plus interest at 1.95% per annum over three-month compounded SOFR, subject to a zero floor. A \$1.0 million deposit was paid and is applied against the purchase price upon exercise of the purchase option.

Under ASC 606, the transaction did not qualify as a sale as control of the vessel was not transferred. Accordingly, the arrangement is accounted for as a financing obligation under ASC 842. The Company may purchase the vessel after the second year of the charter period at a price equal to the outstanding balance under the agreed repayment schedule.

All contracts previously classified as leases are accounted for as financing obligations under ASC 842 due to the inclusion of fixed-price purchase commitments at the end of the contract terms. Since these contracts do not qualify for lease accounting treatment, they are recognized as financing arrangements from the inception of the agreements. The financing obligations are secured by the assignment of earnings and insurances related to the underlying assets, as well as a Company guarantee. Interest expense associated with these financing obligations is recognized using the effective interest method over the term of the contract.

Future Minimum Payments under Financing Obligations:

	Year ending December 31,
2026	\$ 43,456
2027	51,053
2028	46,104
2029	58,609
2030	28,418
Thereafter	94,808
Total future minimum payments	322,449
Less: Amount representing interest	(72,807)
Present value of minimum payments	249,642
Less: Unamortized issuance costs	(1,972)
Less: Current portion of financing obligations	(27,896)
Financing obligations, net of current portion	\$ 219,774

NOTE 10 - FINANCE LEASES

At December 31, 2025, the Company's fleet includes two vessels (Bulk Xaymaca, Bulk Destiny) financed under sale and leaseback financing arrangements accounted for as finance leases in accordance with ASC 840.

Finance lease consists of the following as of December 31, 2025:

	December 31, 2025	December 31, 2024	Interest Rate (%) ⁽¹⁾	Maturity Date
Bulk PODS Ltd. ⁽³⁾	\$ 1,076	\$ 2,919	7.33 %	August 2026
Bulk Nordic Five Ltd. ⁽²⁾	9,450	10,450	3.97 %	April 2028
Total	\$ 10,526	\$ 13,369		
Less: unamortized issuance costs, net	(55)	(91)		
	\$ 10,471	\$ 13,278		
Less: current portion	(2,076)	(2,844)		
Secured long-term debt, net	\$ 8,395	\$ 10,434		

⁽¹⁾ As of December 31, 2025.

⁽²⁾ Interest rates on the loan facilities are fixed.

⁽³⁾ On January 13, 2026, the Company exercised its purchase option under the Bulk PODS financing arrangement. The transaction is expected to close on March 16, 2026 for approximately \$1.3 million, and no gain or loss was recognized.

No amendments or modifications to the outstanding finance leases listed in the table above occurred during the year 2025. All outstanding finance leases are secured by the respective underlying assets.

Future minimum lease payments under finance leases with initial or remaining terms in excess of one year at December 31, 2025 were:

	Year ending December 31,
2026	\$ 2,549
2027	1,321
2028	7,596
Total minimum lease payments	\$ 11,466
Less amount representing interest	941
Present value of minimum lease payments	10,526
Less current portion	(2,076)
Less issuance costs	(55)
Long-term portion	<u>\$ 8,395</u>

NOTE 11 - OTHER LONG-TERM LIABILITIES

In September 2019, the Company entered into an LLC agreement for the formation of NBP, that, at inception is owned 75% by the Company and 25% by an independent third party. NBP was established for the purpose of constructing and owning zero new-build ice class post Panamax vessels. The third party has committed to contribute additional funding during the construction phase, which increased their ownership of NBP to 50% at the time of delivery of the new-build ice class post Panamax vessels. The agreement contains both put and call option provisions. Accordingly, the Company may be obligated, pursuant to the put option, or entitled to, pursuant to the call option, to purchase the third party's interest in NBP beginning anytime after September 2026. The put option and call option are at fixed prices which are not significantly different from each other, starting at \$4.0 million per vessel on the fourth anniversary from completion and delivery of each vessel and declining to \$3.7 million per vessel on or after the seventh anniversary from completion and delivery of each vessel. If neither put nor call option is exercised, the Company is obligated to purchase the vessels from NBP at a fixed price. Pursuant to ASC 480, Distinguishing Liabilities from Equity, the Company has recorded the third party's interest in NBP as a Long term liabilities - Other. The Company took delivery of Nordic Nuluujaak, Nordic Qinnua, Nordic Sanngijuaq and Nordic Siku during the second quarter through fourth quarters of 2021, the independent third party made additional contribution of \$9.2 million which increased their ownership interest in NBP to 50% at December 31, 2021. As of December 31, 2023, the independent third party retains a 50% ownership interest in NBP. Earnings attributable to the third party's interest in NBP are recorded in Interest expense, non-controlling interest.

On October 3, 2024, Pangaea Logistics Solutions Ltd. entered into a definitive agreement to purchase the remaining 50% equity of Nordic Bulk Partners LLC from HS Nordic LLC for \$19.2 million in cash. The transaction was finalized on November 6, 2024, giving Pangaea full ownership of Nordic Bulk Partners. This acquisition grants Pangaea 100% control over Nordic Bulk Partners, which previously held interests in the financing obligations for Nordic Nuluujaak, Nordic Qinnua, Nordic Sanngijuaq and Nordic Siku. Following the acquisition, the Company recognized a \$2.0 million early debt extinguishment charge, recorded under interest expense in the consolidated income statement for the year ended December 31, 2024. As of December 31, 2024, and 2025, no related debt balances remained outstanding.

NOTE 12 - COMMITMENTS AND CONTINGENCIES

Long-term Contracts Accounted for as Operating Leases

The Company has operating leases for office facilities in various locations. These leases generally have remaining terms ranging from 9 months to 60 months, some of which include options to extend or terminate. The Company's lease agreements do not contain material residual value guarantees or restrictive covenants. The weighted-average remaining lease term: 3.07 years.

The following table summarizes the Company's office lease commitments as of December 31, 2025.

Location	Remaining lease Term (as of December 31, 2025)	Undiscounted Payments
Copenhagen, Denmark	12 months	\$ 123
Singapore	11 months	\$ 68
Connecticut, U.S.	60 months	\$ 406
Greece	9 months	\$ 123
Total undiscounted lease payments		<u>\$ 720</u>

For the twelve months ended December 31, 2025 and 2024, the Company recognized approximately \$443 and \$198, respectively, as lease expense for office leases in General and Administrative Expenses.

The following table summarizes the Company's future minimum lease payments for office leases as of December 31, 2025.

Year ending December 31,	Amount
2026	\$ 395
2027	81
2028	81
2029	81
2030	81
Total	<u>\$ 720</u>

Legal Proceedings and Claims

The Company is subject to certain asserted claims arising in the ordinary course of business. The Company intends to vigorously assert its rights and defend itself in any litigation that may arise from such claims. While the ultimate outcome of these matters could affect the results of operations of any one year, and while there can be no assurance with respect thereto, management believes that after final disposition, any financial impact to the Company would not be material to its consolidated financial position, results of operations, or cash flows.

NOTE 13 - STOCKHOLDERS' EQUITY

Share Repurchase Program

On May 8, 2025, the Company's Board of Directors authorized a share repurchase program for up to \$15.0 million of the Company's common stock, representing approximately 5.6% of its market capitalization as of that date. Repurchases may be made from time to time in open market transactions or privately negotiated purchases, depending on market conditions, capital needs, and other strategic considerations. The program may be modified, suspended, or terminated at any time.

During the fiscal year 2025, the Company repurchased and retired 603,631 shares of its common stock at an average price of \$4.94 per share, for an aggregate cost of approximately \$3.0 million. The shares were acquired in open market transactions and retired immediately upon settlement. The repurchase was funded with available cash on hand.

The repurchase and retirement of shares resulted in a reduction to the Common Stock and Additional Paid-in Capital (APIC) accounts, with the excess purchase price over par value allocated to APIC. The impact of the repurchase is reflected in the accompanying Consolidated Statement of Stockholders' Equity for the twelve months ended December 31, 2025, and the cash outflow is reported in financing activities in the Consolidated Statement of Cash Flows. As of December 31, 2025, approximately \$12.0 million remained available under the repurchase program.

Dividends Paid

Total cash dividends paid were approximately \$16.3 million and \$18.7 million for the year ended December 31, 2025 and 2024.

Changes in Outstanding Shares

The following table summarizes changes in the number of shares of common stock outstanding for the year ended December 31, 2025:

Description	Number of Shares
Shares outstanding at December 31, 2024	64,961,433
Shares issued (e.g., equity grants)	661,504
Share forfeitures	(45,318)
Shares repurchased and retired	(603,631)
Shares outstanding at December 31, 2025	<u>64,973,988</u>

NOTE 14 - NET INCOME PER COMMON SHARE

The computation of basic net income per share is based on the weighted average number of common stock outstanding for the year ended December 31, 2025 and 2024. Diluted net income per share gives effect to restricted stock awards.

The following table summarizes the calculation of basic and diluted income per share:

	For the Years Ended	
	December 31, 2025	December 31, 2024
Net income	\$ 19,369	\$ 28,903
Weighted Average Shares - Basic	63,802,958	45,391,855
Dilutive effect of restricted stock awards	900,515	654,189
Weighted Average Shares - Diluted	64,703,473	46,046,044
Basic net income per share	\$ 0.30	\$ 0.64
Diluted net income per share	\$ 0.30	\$ 0.63

There are no other shares which could be potentially dilutive.

NOTE 15 - STOCK INCENTIVE PLANS AND NON-CONTROLLING INTEREST

Common stock

The Company has 100,000,000 shares of common stock (\$0.0001 par value) authorized, of which 64,973,988 were issued as of December 31, 2025.

2024 Share Incentive Plan

On May 7, 2024, the Board of Directors adopted an amendment and restatement of the Pangaea Logistics Solutions Ltd. 2024 Share Incentive Plan (the “Amended Plan”), which was approved by the Company’s shareholders on August 8, 2024. The Amended Plan increased the aggregate number of common shares available for issuance under the plan to 8,200,000 authorized shares. As of December 31, 2025, 2,310,345 common shares remained available for future grants under the 2024 Share Incentive Plan.

As of December 31, 2025, a total of 5,889,655 shares had been granted under the Amended Plan, net of forfeitures. Awards granted to employees generally vest one-third on each of the first, second and third anniversaries of the vesting commencement date, subject to continued service. Awards granted to members of the Board of Directors vest immediately on the grant date. The Company recognizes compensation expense over the applicable vesting periods and accounts for forfeitures as they occur.

Total non-cash compensation cost recognized during the years ended December 31, 2025 and 2024 is \$4,111 and \$2,788, respectively, which is included in general and administrative expenses in the consolidated statements of operations.

A summary of activity related to outstanding restricted securities for fiscal years 2025 and 2024 is presented in the table below:

	Restricted Shares	Weighted- Average Grant- Date Fair Value Per Share
Unvested shares at December 31, 2023	1,423,660	\$ 3.97
Granted	435,469	\$ 7.70
Vested	<u>(546,822)</u>	\$ 3.81
Unvested shares at December 31, 2024	<u>1,312,307</u>	\$ 5.27
Granted	661,504	\$ 5.49
Vested	(544,821)	\$ 4.74
Forfeited	<u>(45,318)</u>	\$ 5.45
Unvested shares at December 31, 2025	<u><u>1,383,672</u></u>	\$ 5.45

	Fiscal Years Ended December 31,	
	2025	2024
Fair value of restricted shares vested	\$ 2,176	\$ 2,993
Unrecognized compensation cost for restricted shares	\$ 4,096	\$ 4,248
Weighted average remaining period to expense restricted shares (years)	1.62	2.80

Dividends Payable

Dividends payable consist of the following:

	Dividends payable ⁽¹⁾
Balance at December 31, 2023	\$ 1,146
Accrued dividend	627
Paid in cash	<u>(563)</u>
Balance at December 31, 2024	1,211
Accrued dividend	348
Paid in cash	(360)
Balance at December 31, 2025	<u><u>\$ 1,198</u></u>

⁽¹⁾ Accrued dividends on unvested restricted shares under the Company's incentive compensation plan.

While there are no specific restrictions at the parent company level, certain subsidiaries are subject to restrictions under credit agreements that may limit their ability to declare and distribute dividends to the parent company. These restrictions do not prevent the parent company from declaring and paying dividends on its common stock.

Dividend Policy

During the years ended December 31, 2025 and 2024, the Company declared quarterly cash dividends ranging from \$0.05 to \$0.10 per common share.

Although the Company intends to continue paying quarterly dividends, including a quarterly dividend of \$0.05 per common share in 2026, the declaration, timing and amount of future dividends remain subject to the discretion of the Board of Directors and will depend on the Company's results of operations, capital requirements, financial condition, contractual restrictions and other factors the Board may deem relevant.

Noncontrolling Interests

Amounts pertaining to the non-controlling ownership interest held by third parties in the financial position and operating results of the Company's subsidiaries and/or consolidated VIEs are reported as non-controlling interest in the accompanying consolidated balance sheets. The non-controlling ownership interest attributable to NBHC and its wholly-owned ship-owning subsidiaries amounts to approximately \$44,423 and \$45,608 as of December 31, 2025 and 2024, respectively.

Non-controlling interest attributable to VLNL was approximately \$980 and \$1,235 at December 31, 2025 and 2024, respectively.

Equity in Earnings and Dividends from Unconsolidated Subsidiaries:

For the year ended December 31, 2025, and 2024, the Company recognized \$2,952 and \$1,428, respectively, as equity in earnings from its 50% or less owned investees accounted for using the equity method.

Additionally, the Company received \$4,135 and \$1,910 in dividends from these investees for the years ended December 31, 2025 and 2024, respectively, disclosed under the other income line item in the consolidated income statement.

NOTE 16 - ACQUISITIONS

2024 Acquisition

Merger Agreement with Strategic Shipping Inc.

On December 30, 2024, Pangaea Logistics Solutions Ltd. (the "Company") completed the acquisition of fifteen handy-size dry bulk vessels (the "Renaissance Vessels") from Strategic Shipping Inc. ("SSI") pursuant to a merger agreement. Following a pre-closing reorganization by SSI, the acquired entity owned or chartered-in the Renaissance Vessels, and became a wholly-owned subsidiary of the Company upon closing.

In connection with the transaction, the Company:

- Issued 18,059,342 shares of its common stock to SSI, representing approximately 27.6% of the Company's outstanding common stock immediately following the transaction,
- Assumed approximately \$100.0 million of existing loan and lease liabilities related to the vessels, and
- Paid a net cash closing adjustment of approximately \$9.2 million.

Total consideration transferred was approximately \$202.9 million, consisting of:

	December 30, 2024
Renaissance Vessels	\$ 197,049
Bunkers and lube inventories	5,588
Prepaid expenses	289
Total assets	<u>\$ 202,926</u>
Assumed loans and lease liabilities	\$ 100,049
Fair value of the common stock issued	91,019
Cash consideration related to the Closing Adjustment	9,180
Transaction costs	2,678
Total consideration	<u>\$ 202,926</u>

The fair value of the common stock issued was determined based on the Company's closing stock price on the acquisition date.

Accounting Treatment

The transaction was evaluated under ASC 805, Business Combinations. The Company concluded that substantially all of the fair value of the acquired gross assets was concentrated in a group of similar identifiable assets (the vessels and related onboard inventories). Accordingly, the transaction did not meet the definition of a business combination and was accounted for as an asset acquisition under U.S. GAAP.

Under the asset acquisition method, total consideration, including transaction costs, was allocated to the acquired assets and assumed liabilities on a relative fair value basis. No goodwill was recognized.

When estimating the fair value of the vessels, the Company considered replacement cost adjusted for age, condition and remaining useful life. Bunker and lube inventories were valued based on market prices at the acquisition date.

A portion of the closing adjustment related to estimated profits from voyages in progress at the acquisition date. The estimated profit of approximately \$2.4 million was excluded from the purchase price allocation and recorded as deferred revenue, to be recognized as revenue upon completion of the related voyages.

Investor Rights

In connection with the transaction, the Company and SSI entered into an Investor and Registration Rights Agreement, pursuant to which SSI received customary resale registration rights and the right to designate up to two members to the Company's Board of Directors.

NOTE 17 – SEGMENT REPORTING

The Company operates through multiple operating segments, which are determined based on the manner in which the Chief Operating Decision Maker ("CODM") evaluates performance and allocates resources. The Company's operating segments include the shipping segment and six terminal and stevedoring operating segments. The CODM, who is the Company's Chief Executive Officer, regularly reviews internal management reports containing financial information for each operating segment.

Although the Company manages multiple operating segments, only one segment, the shipping segment, meets the quantitative thresholds for separate disclosure as a reportable segment under ASC 280-10-50-12. As such, the shipping segment is presented as the Company's sole reportable segment. This segment provides seaborne dry bulk logistics and transportation services globally, primarily through voyage and time charter arrangements. Revenue is generated from the transportation of dry bulk cargoes using vessels that are either owned or chartered by the Company.

The CODM evaluates segment performance and allocates resources primarily based on Time Charter Equivalent ("TCE") revenues, which are calculated as voyage and charter revenues less voyage expenses. TCE is a non-GAAP performance measure widely used in the shipping industry and is considered by management to be the key indicator of vessel operating performance.

In assessing performance and making resource allocation decisions, the CODM reviews both segment-level results and the Company's consolidated financial results, which are prepared in accordance with U.S. GAAP.

The following tables present selected financial information for the Company's reportable segment.

	December 31, 2025	December 31, 2024
Shipping segment		
Voyage revenue	\$ 577,547	\$ 493,439
Charter revenue	39,258	30,326
Shipping segment total revenue	<u>616,806</u>	<u>523,765</u>
Reconciliation:		
All other revenue ⁽¹⁾	15,236	12,771
Total consolidated revenue	<u>\$ 632,041</u>	<u>\$ 536,536</u>

	December 31, 2025	December 31, 2024
Shipping segment total revenue	\$ 616,806	\$ 523,765
Less:		
Voyage expense	283,679	237,479
Net TCE revenue ⁽²⁾	<u>333,126</u>	<u>286,286</u>
Reconciliation:		
Charter hire expense	129,735	130,764
Vessel operating expenses	94,948	55,544
Other operating expenses	67,499	51,530
Other expenses	20,777	16,679
Total consolidated net income	<u>\$ 20,167</u>	<u>\$ 31,769</u>

⁽¹⁾ All other revenue includes revenue from our port and terminal operations, as well as other ancillary services.

⁽²⁾ TCE revenue represents shipping segment total revenue less voyage expenses and is considered the segment measure of profit/loss.

Additionally, other expenses totaled \$20,777 and \$16,679 for the years ended December 31, 2025, and December 31, 2024, respectively, primarily comprising interest expenses and other non-operating costs.

For the year ended December 31, 2025, the Company reported total consolidated net income of \$20,167 and \$31,769 for the prior year.

Geographical Disclosure

Revenue from external customers is attributed to geographic areas as follows:

Revenue:	December 31, 2025	December 31, 2024
United States	\$ 177,651	\$ 169,383
Canada	65,025	72,820
Germany	59,434	44,130
Singapore	59,166	39,423
United Kingdom	48,005	35,536
Other ⁽¹⁾	222,850	175,244
Total consolidated revenue	\$ 632,041	\$ 536,536

⁽¹⁾ This includes revenue from various regions across Asia, Europe, South America, and other international markets.

Revenue is presented geographically based on the customer's country of domicile.

For the year ended December 31, 2025, no customer accounted for 10% or more of total revenue. For the year ended December 31, 2024, one customers accounted for 10% or more of total revenue. The Company's vessels regularly move between countries in international waters, over hundreds of trade routes and, as a result, the disclosure of geographic information is impracticable.

Other segment disclosures:

	December 31, 2025			December 31, 2024		
	Shipping	Other	Total	Shipping	Other	Total
Interest expense	\$ 24,006	\$ —	\$ 24,006	\$ 17,073	\$ —	\$ 17,073
Interest income	\$ (1,630)	\$ (2)	\$ (1,632)	\$ (3,023)	\$ —	\$ (3,023)
Depreciation and amortization	\$ 42,336	\$ 139	\$ 42,475	\$ 30,042	\$ 334	\$ 30,376
Segment assets	\$ 903,353	\$ 24,743	\$ 928,096	\$ 730,728	\$ 205,729	\$ 936,457
Capital expenditures	\$ 19,583	\$ 4,299	\$ 23,882	\$ 260,997	\$ 167	\$ 261,164
Investment in equity method investees ⁽¹⁾	\$ —	\$ 2,552	\$ 2,552	\$ —	\$ 2,396	\$ 2,396

⁽¹⁾ The amounts presented represent the carrying value of the Company's investments in equity method investees included in the consolidated balance sheets as of December 31, 2025 and 2024.

NOTE 18 - SUBSEQUENT EVENTS

On February 5, 2026, the Company's Board of Directors declared a quarterly cash dividend of \$0.05 per common share paid on March 13, 2026, to all shareholders of record as of February 27, 2026.

On February 27, 2026, the Company entered into a memorandum of agreement to sell the M/V Bulk Xaymaca for \$9.6 million. The vessel is expected to be delivered in May 2026.

On January 13, 2026, the Company exercised its purchase option under the Bulk PODS financing arrangement. The transaction closed on March 16, 2026 for approximately \$1.3 million, and no gain or loss is expected to be recognized upon closing.

Exhibit no.	Description
3.1	Certificate of Incorporation of the Company, as amended (incorporated by reference to Exhibit 3.1 of the Registrant's Current Report on Form S-1 filed on February 4, 2015).
3.2	Bye-laws of Company (incorporated by reference to Exhibit 3.2 of the Registrant's Current Report on Form S-1 filed on February 4, 2015.)
10.1	Purchase Agreement Addendum by and between Bulk Nordic Five Ltd. and Nicole Navigation S.A. dated October 27, 2016 (incorporated by reference to Exhibit 10.34 of the Registrant's Current Report on Form 10-K filed on March 22, 2017).
10.2	Bareboat Charter Party Dated August 2, 2018 (incorporated by reference to Exhibit 10.43 of the Registrant's Current Report on Form 10-Q filed on November 8, 2018).
10.3	Bareboat Charter Party Dated February 21, 2019 (incorporated by reference to Exhibit 10.44 of the Registrant's Current Report on Form 10-Q filed on May 15, 2019).
10.4	Limited Liability Company Agreement of Nordic Bulk Partners LLC. (incorporated by reference to Exhibit 10.18 of the Registrant's Current Report on Form 10-K filed on March 23, 2020).
10.5	Bareboat Charter Party Dated September 27, 2019 (incorporated by reference to Exhibit 10.19 of Registrant's Current Report on Form 10-K filed on March 23, 2020).
10.6	Bulk Nordic Odyssey (MI) Corp., Bulk Nordic Orion (MI) Corp. Senior Secured Term Loan Facility (incorporated by reference to Exhibit 10.19 of Registrant's Current Report on Form 10-K filed on March 23, 2020).
10.7	Bulk Courageous Bareboat Charter dated March 27, 2021 (incorporated by reference to Exhibit 10.1 of Registrant's Current Report on Form 10-Q filed on August 10, 2021).
10.8	Bulk Valor Corp. Loan and Security Agreement dated as of June 17, 2021 (incorporated by reference to Exhibit 10.2 of Registrant's Current Report on Form 10-Q filed on August 10, 2021).
10.9	Bulk Nordic Five Ltd. Amendment and Restatement Agreement of Bareboat Charter dated July 1, 2021 (incorporated by reference to Exhibit 10.1 of Registrant's Current Report on Form 10-Q filed on November 9, 2021).
10.10	Bulk Promise Corp. Loan and Security Agreement dated as of July 7, 2021 (incorporated by reference to Exhibit 10.2 of Registrant's Current Report on Form 10-Q filed on November 9, 2021).
10.11	Bareboat Charter Party by and between Phoenix Bulk 25 Corp. and Delta Partner Ltd Dated January 27, 2022 (incorporated by reference to Exhibit 10.1 of Registrant's Current Report on Form 10-Q filed on May 10, 2022).
10.12	Bulk Sachuest Corp. Loan and Security Agreement dated as of October 13, 2022 (incorporated by reference to Exhibit 10.17 of Registrant's Current Report on Form 10-K dated March 15, 2022).
10.13	\$50 Million Senior Secured Term Loan Facility (incorporated by reference to Exhibit 10.1, 10.2 and 10.3 of Registrant's Current Report on Form 10-Q filed on November 12, 2024)
10.14	Bulk Prudence Corp. Facility Agreement Loan Facility (incorporated by reference to Exhibit 10.4 of Registrant's Current Report on Form 10-Q)
10.15	Agreement and Plan of Merger (incorporated by reference to Exhibit 2.1 of Registrant's Current Report on Form 8-K filed on September 24, 2024)
10.16	Investor and Registration Right Agreement (incorporated by reference to Exhibit 10.17 of Registrant's Current Report on Form 10-K filed on March 17, 2025)
19.1	Pangaea Logistics Solutions Ltd. Insider Trading Policy.*
21.1	Subsidiaries of Pangaea Logistics Solutions Ltd.*
23.1	Consent of Deloitte & Touche LLP.*
23.2	Consent of Grant Thornton LLP.*
31.1	Certification of Principal Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002*
31.2	Certification of Principal Financial and Accounting Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002*
32.1	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002*
32.2	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002*
97.1	Policy Relating to Recovery of Erroneously Awarded Compensation (incorporated by reference to Exhibit 97.1 of Registrant's Current Report on Form 10-K dated March 14, 2024)
101.INS	XBRL Instance Document*
101.SCH	XBRL Taxonomy Extension Schema*
101.CAL	XBRL Taxonomy Extension Calculation Linkbase*
101.DEF	XBRL Taxonomy Extension Definition Linkbase*
101.LAB	XBRL Taxonomy Extension Label Linkbase*
101.PRE	XBRL Taxonomy Extension Presentation Linkbase*
104	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101)

* Filed herewith

ITEM 16. FORM 10-K SUMMARY

None.

SIGNATURES

Pursuant to the requirements of the Section 13 or 15 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized on March 16, 2026.

PANGAEA LOGISTICS SOLUTIONS LTD.

By: /s/ Mads Boye Petersen

Mads Boye Petersen

Chief Executive Officer

(Principal Executive Officer)

By: /s/ Gianni Del Signore

Gianni Del Signore

Chief Financial Officer

(Principal Financial and Accounting Officer)

POWER OF ATTORNEY

Each person whose signature appears below constitutes and appoints Mads Boy Petersen and Gianni DelSignore and each of them, as attorney-in-fact with full power of substitution and re-substitution, for him or her and in his or her name, place or stead, in any and all capacities, to sign any and all amendments to this annual report on Form 10-K, and to file the same, with exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or their or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, as amended, this annual report on Form 10-K has been signed by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
/s/ Mads Boye Petersen Mads Boye Petersen	Chief Executive Officer and Director (Principal Executive Officer)	March 16, 2026
/s/ Gianni DelSignore Gianni DelSignore	Chief Financial Officer, Principal Financial and Accounting Officer	March 16, 2026
/s/ Carl Claus Boggild Carl Claus Boggild	Director	March 16, 2026
/s/ Richard T. du Moulin Richard T. du Moulin	Chairman of the Board, Director	March 16, 2026
/s/ Anthony Laura Anthony Laura	Director	March 16, 2026
/s/ Eric S. Rosenfeld Eric S. Rosenfeld	Director	March 16, 2026
/s/ David D. Sgro David D. Sgro	Director	March 16, 2026
/s/ Karen H. Beachy Karen H. Beachy	Director	March 16, 2026
/s/ Gary Vogel Gary Vogel	Director	March 16, 2026
/s/ Paul M Leand Jr. Paul M. Leand Jr.	Director	March 16, 2026
/s/ Eugene Davis I Eugene Davis I	Director	March 16, 2026