

Contships Logistics Corp.
Consolidated Financial Statements
For the years ended December 31, 2024 and 2023

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BoD Report

Overview

Contships Logistics Corp. (“CLC” or the “Company”) is a leading independent tonnage provider of container feeder vessels.

The Company was incorporated in the Republic of the Marshall Islands on November 16, 2021, as Contships Logistics Corp., a holding company that owns 100% of the shares of each of the special purpose vessel owning companies that are incorporated in the Republic of Liberia (collectively the “Group”).

The principal business of the Group is the ownership and operation of container vessels, providing maritime services for the transportation of containerized cargo on a worldwide basis. The Group’s vessels are chartered out to global and regional liner shipping companies serving mostly intra-regional trade lanes.

Since 2015, the Group’s fleet has been commercially and technically managed in-house by Contships Management Inc.

The Board of Directors and management place emphasis on maintaining sensible capital allocation, which includes fleet optimization and renewals, and maintaining a strong balance sheet to ensure financial resilience and strength through market cycles.

During 2024, the Company reported strong financial and operational performance achieving an average utilization rate of 97% in 2024, compared to 95% in 2023. As a result, the Group generated revenue of \$192.5 million and net profit of \$33.5 million. Throughout the year, the Group remained focused on its fleet renewal program, pursuing selective sale and acquisition transactions. In parallel, the Group further optimized its financial position by repaying an aggregate amount of \$76 million of its long-term financing liabilities including both scheduled amortization payments as well as debt prepayments in connection with vessel sales.

In 2024, the Group continued its fleet renewal by selling seven older with an average age of 18.4 years, and acquiring three younger vessels with an average age of 14.1 years.

As of December 31, 2024, the Group’s fleet consisted of 42 vessels, with an aggregate capacity of approximately 47,976 TEU.

During the first quarter of 2025, the Group completed the disposals of three vessels (M/V Contship Air, M/V Contship Leo and M/V Contship Med) to unaffiliated entities for an aggregate sale price of \$23 million.

In March 2025, the Group entered into MoAs to acquire two 2,000 TEU vessels, and three 1,300 TEU vessels at a total price of \$72 million. The acquisitions are subject to the satisfaction of certain customary closing conditions and the vessels are expected to be delivered between April and June 2025. The new acquisitions will serve their existing time charter contracts with top-tier liner companies, which increase the Group’s charter backlog by approximately \$43 million over the firm charter period. The acquisitions will be financed with cash on hand.

On April 4, 2025, the Group entered into a MoA to sell M/V Contship Win to an unaffiliated entity.

Following the completion of all recent transactions, the Group will own and operate 43 vessels with an aggregate capacity of approximately 51,418 TEU.

Going forward, as part of its fleet optimization and renewal strategy, the Group will continue to pursue selective opportunities for growth and sale of older, less efficient tonnage, and invest in efficiency-enhancing retrofits of its existing fleet. Investment decisions shall be value accretive and follow strict investment criteria.

Financing Update

On February 11, 2025, the Company successfully completed the issuance of a senior unsecured sustainability-linked bond of \$100 million in Norway. Net proceeds from the bond issue will be applied towards general corporate purposes, including acquisition of maritime assets and refinancing of existing financial indebtedness.

Following the disposal of three vessels (M/V Contship Air, M/V Contship Leo and M/V Contship Med) during the first quarter of 2025, the Group prepaid approximately \$8.8 million of its interest-bearing debt.

During the first quarter of 2025, the Group entered into discussions with each of its lenders to reduce its cost of debt by reducing the margin in all bank loan facilities, as well as extending the maturities of certain loan facilities, providing substantial flexibility going forward. These amendments have already taken effect in most of the Group's facilities, while the Group expects that during the next month the lower margins will be effective in all bank loan facilities.

Following the effectiveness of the lower margin in all bank loan facilities, the Company's weighted average margin will be 2.01% based on total bank debt outstanding as of March 31, 2025, which is a material improvement from December 31, 2024, where it was 2.59%.

On February 21, 2025, the Company declared a dividend payable to its shareholders in the total amount of \$12.5 million in order to distribute part of its accumulated profits. The dividend was paid on February 24, 2025.

As of April 4, 2025, the Group is in a solid funding position with a cash balance of approximately \$126.1 million, with around \$134.9 million of net debt, corresponding to approximately \$3.5 million per vessel.

Annual Financial Results for the fiscal year ended December 31, 2024

Income Statement

For the full year 2024, the Group reported operating revenues of \$192.5 million (2023: \$275.0 million) and profit from operations of \$47.5 million (2023: \$82.0 million). The decrease in operating revenues and profit from operations compared to the previous year is driven by the decreased rates. For the year 2024, the Group reported a net profit of \$33.5 million (2023: \$65.4 million).

Financial Position

The Group's total assets amounted to \$557.9 million as of December 31, 2024, compared to \$536.3 million as of December 31, 2023. Total non-current assets of \$502.8 million (\$489.3 million as of December 31, 2023) reflected the carrying amounts of the vessels owned and operated by the Group. The increase in the carrying amounts of the vessels in 2024 is attributed to improved charter rates which directly affected vessels' values as of December 31, 2024.

Total equity as of December 31, 2024, was \$352.1 million, up from \$276.4 million as of December 31, 2023. The increase in total equity was due to the increase in the revaluation surplus recognized during 2024 (\$53.6 million) and the increase in retained earnings (\$22.1 million).

As of December 31, 2024, the Group had total interest-bearing debt of \$175.0 million (\$234.6 million as of December 31, 2023).

Cash Flow

During 2024, the Group generated cash flow from operating activities of \$66.4 million, down from \$146.1 million in 2023 due to lower charter rates.

Allocation of Earnings

Dividends are declared at the sole discretion of the Board and depend upon the financial position, earnings, debt covenants, distribution restrictions, capital requirements and other factors related to CLC and its subsidiaries.

During 2024, the Group distributed dividends in the aggregate amount of \$12.5 million (2023: \$60.5 million).

Container Shipping Market Summary

The containership market experienced sustained gains throughout 2024 driven by Red Sea rerouting. In 2025, charter rates continue to rise, reaching record highs outside the COVID era. In our segment of the market, demand for feeder vessels has been firm, with limited availability of open vessels across sizes pushing charterers to secure vessels for longer periods and at higher charter rates.

Outlook

Container shipping has entered a period of heightened volatility and uncertainty, driven by the unexpected and far-reaching implications of the United States' new trade policies. President Trump's 'Liberation Day' tariffs, marketed as reciprocal tariffs, were more aggressive and wide-reaching than initially expected.

On April 9, 2025, President Trump announced a three-month suspension of all "reciprocal" tariffs, except those on China. While tariffs on other countries will be reduced to a standard 10%, tariffs on China will increase from 104% to 125% in response to new retaliatory measures from Beijing.

These measures are set to materially disrupt the container market, both directly through reduced volumes and indirectly through broader economic repercussions and supply chain reconfiguration. The new tariffs, targeting US imports from China are unprecedented in scope and severity.

These developments carry significant implications, which will reshape trade routes and flows, as shippers seek tariff arbitrage and alternative sourcing strategies, potentially increasing transshipment activity in neutral ports.

Sentiment-driven risks to investment and consumption could weaken the macroeconomic backdrop and drag down shipping demand across segments. Despite the policy turbulence, the container market has shown resilience in the short term with charter rates remaining firm, especially for the smaller feeder segment, where we operate in. However, the underlying fundamentals are weakening, and the coming quarters may see a retreat in both rate levels and charter demand, especially if retaliatory measures expand and economic activity slows.

Concurrently, if disruptions in the Red Sea gradually ease, container market conditions could further weaken. The total containership orderbook is at historically high levels and stands at approximately 12% and 27% in terms of number of vessels and TEU capacity respectively. However, supply side outlook for the smaller size segment is modest, the orderbook for sub 3,000 TEU vessels is below 5% in terms of both number of vessels and TEU capacity.

While container shipping has weathered crises before, including pandemics, wars, and trade disputes, the scale and simultaneity of the current challenges are unique.

Risk Factors

The Board of Directors recognizes that the Group operates in a dynamic and complex environment, subject to various risks that may impact on its business, financial condition, and results of operations. The Board continuously monitors these risks and evaluates appropriate mitigation strategies to ensure the Group's long-term sustainability and growth.

Key risk factors identified include:

Economic and Industry Cyclicalities – Fluctuations in the global economy and container shipping market may lead to downturns in hire and freight rates, adversely affecting revenue and profitability.

Market Competition and Customer Preferences – Increased competition and evolving customer demands could reduce the Group's market share and financial performance.

Chartering Risks – A weaker short-term or spot market may limit the Group's ability to secure favorable charters.

Regulatory and Trade Risks – Import/export restrictions and trade regulations may impact the Group's operational flexibility and financial performance.

Revenue Dependence on Container Transportation – The Group's financial health is directly linked to the performance of the container shipping sector.

Operational Disruptions – Extended periods of vessel off-hire could materially impact cash flow and financial results.

Dependence on Related Parties – The Group relies on Contships Management Inc. and B&T (Shipbrokers) Inc. for key operational and management services.

Fleet Maintenance and Expansion – Significant capital expenditures are required to sustain fleet operations and support future growth.

Vessel Acquisition Risks – The purchase and operation of secondhand vessels involve uncertainties related to condition, maintenance, and compliance.

Newbuilding and Fleet Diversification Risks – Expanding into new vessel types or engaging in newbuilding projects may introduce financial and operational risks.

Counterparty Credit Risk – The Group depends on major charterers, including MSC, Maersk, CMA-CGM, and COSCO, fulfilling their contractual commitments; any default could negatively impact cash flow.

Key Personnel Risks – The Group’s continued success depends on experienced executives, and their potential departure could disrupt operations.

Geopolitical and Security Challenges – Operating in high-risk regions exposes the Group to risks related to war, piracy, terrorism, and other security threats.

Regulatory Compliance and Environmental Risks – Compliance with stringent environmental and maritime regulations may increase costs, while non-compliance could result in penalties and restrictions.

Legal and Insurance Risks – The Group faces potential liabilities from legal disputes, insurance limitations, and the risk of vessels being suspected of smuggling activities.

Cybersecurity and IT Infrastructure – Vulnerabilities in IT systems, including cyber threats and operational inefficiencies, could disrupt business activities.

Bunker Price and Cost Volatility – Fluctuations in fuel prices could significantly impact operating expenses and overall profitability.

Financial and Debt Management Risks – The Group’s debt agreements impose restrictions, while fluctuations in vessel values may affect financial covenants and asset impairment assessments.

Foreign Exchange and Interest Rate Exposure – Currency fluctuations and interest rate movements may impact financial results.

Taxation and Sanctions Compliance – The Group is subject to evolving tax regulations and sanction regimes, which may introduce operational and financial risks.

Political and Legal Uncertainty – Operations in regions with unstable political climates and complex legal frameworks could present additional challenges.

Athens, April 11, 2025

The Board of Directors of Contships Logistics Corp.



Nikolas D. Pateras, Chairman and CEO



Emmanouil Zacharakis, Director



Efstathia Papantoni, Director



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Independent auditor's report

To the Shareholders and the Board of Directors of Contships Logistics Corp.

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of Contships Logistics Corp. and its subsidiaries (the Company), which comprise the consolidated statement of financial position as at December 31, 2024, and the consolidated statement of comprehensive income / (loss), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at December 31, 2024 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in Greece and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of management for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Management is responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.



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As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.

We communicate with Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

Athens, Greece
April 11, 2025

Legal Name: ERNST & YOUNG (HELLAS) Certified Auditors-Accountants S.A.
Distinctive title: ERNST & YOUNG
Legal form: Societe Anonyme
Registered seat: Chimarras 8B, Maroussi, 15125
General Commercial Registry No: 000710901000

Contships Logistics Corp.
Consolidated statements of comprehensive income / (loss)
For the years ended December 31, 2024 and 2023
(All amounts in thousands of U.S. Dollars, except share and per share)

	<u>Notes</u>	<u>2024</u>	<u>2023</u>
Revenue, net	2	192,458	274,984
Expenses			
Voyage expenses		(11,388)	(8,590)
Vessels' operating expenses	8	(86,440)	(84,238)
Management fees – related party	5	(14,936)	(14,100)
General and administrative expenses	10	(497)	(587)
Revaluation gain / (loss) on vessels	4	8,672	(35,403)
Vessels' disposal related expenses	4	(108)	(638)
Depreciation and amortization	4	(40,226)	(49,446)
Profit for the year from operations		<u>47,535</u>	<u>81,982</u>
Other income / (expenses), net		3,500	3,450
Interest and finance costs	9	(18,631)	(21,005)
Interest income		1,233	1,198
Exchange differences, net		(150)	(245)
Total other expenses, net		<u>(14,048)</u>	<u>(16,602)</u>
Profit for the year		\$ <u>33,487</u>	\$ <u>65,380</u>
Other comprehensive income / (loss)			
Other comprehensive loss that will not be reclassified to profit or loss in subsequent periods			
Revaluation income / (loss) on vessels	4	<u>54,670</u>	<u>(59,685)</u>
Other comprehensive income/ (loss) for the year		<u>54,670</u>	<u>(59,685)</u>
Total comprehensive income for the year		\$ <u><u>88,157</u></u>	\$ <u><u>5,695</u></u>

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

Contships Logistics Corp.
Consolidated statements of financial position
As of December 31, 2024 and 2023
(All amounts in thousands of U.S. Dollars, except share and per share)

	Notes	2024	2023
Assets			
Non-current assets			
Vessels, net	4	502,825	488,800
Deferred listing transaction-related expenses		-	503
Total non-current assets		502,825	489,303
Current assets			
Inventories		4,329	4,453
Trade receivables		2,633	2,784
Accrued income	2	431	433
Prepaid expenses and other assets		10,284	4,462
Claims receivable		18	1,894
Cash and cash equivalents	3	28,989	32,970
Vessels held for sale	4	8,350	-
Total current assets		55,034	46,996
Total assets		557,859	536,299
Shareholders' equity and liabilities			
Shareholders' equity			
Authorized common shares 174,408, 174,408 issued and 174,408 outstanding as of December 31, 2024 and December 31, 2023, respectively	6	2	2
Paid-in capital	6	121,155	121,155
Revaluation reserve		82,336	28,739
Retained earnings		148,560	126,502
Total shareholders' equity		352,053	276,398
Non-current liabilities			
Long-term debt, net of current portion, unamortized deferred financing costs and unamortized gain on debt modification	7	131,315	180,831
Total non-current liabilities		131,315	180,831
Current liabilities:			
Long-term debt, current portion net of unamortized deferred financing costs and unamortized gain on debt modification	7	42,310	51,224
Trade accounts payable		16,101	17,392
Other payables and accruals		12,834	6,739
Deferred revenue		3,246	3,715
Total current liabilities		74,491	79,070
Total liabilities		205,806	259,901
Total shareholders' equity and liabilities		557,859	536,299

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

Contships Logistics Corp.
Consolidated statements of changes in equity
For the years ended December 31, 2024 and 2023
(All amounts in thousands of U.S. Dollars, except share and per share)

	Number of shares (Note 6)	Share capital (Note 6)	Paid-in capital (Note 6)	Revaluation reserve (Note 4)	Retained earnings (Note 6)	Total
Balance, December 31, 2022	174,408	2	121,155	95,251	114,802	331,210
Profit for the year					65,380	65,380
Other comprehensive loss	-	-	-	(59,685)	-	(59,685)
Total comprehensive income	-	-	-	(59,685)	65,380	5,695
Revaluation surplus reclassified within retained earnings				(6,827)	6,827	-
Dividends	-	-	-	-	(60,507)	(60,507)
Balance, December 31, 2023	174,408	2	121,155	28,739	126,502	276,398
Balance, December 31, 2023	174,408	2	121,155	28,739	126,502	276,398
Profit for the year					33,487	33,487
Other comprehensive income	-	-	-	54,670	-	54,670
Total comprehensive income	-	-	-	54,670	33,487	88,157
Revaluation surplus reclassified within retained earnings				(1,073)	1,073	-
Dividends	-	-	-	-	(12,502)	(12,502)
Balance, December 31, 2024	174,408	2	121,155	82,336	148,560	352,053

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

Contships Logistics Corp.
Consolidated statements of cash flows
For the years ended December 31, 2024 and 2023
(All amounts in thousands of U.S. Dollars, except share and per share)

	<u>Notes</u>	<u>2024</u>	<u>2023</u>
Cash flows from operating activities			
Profit for the year		33,487	65,380
<i>Adjustments for non-cash items:</i>			
Vessels' depreciation and amortization	4	40,226	49,446
Revaluation (gain)/loss on vessels	4	(8,672)	35,403
Vessels' disposal related expenses		108	425
Interest and finance costs	9	18,631	21,005
Interest income		(1,233)	(1,198)
<i>Movements in working capital:</i>			
Decrease / (increase) in:			
Inventories		124	(1,969)
Trade receivables		151	(1,685)
Accrued income		2	6,805
Prepaid expenses and other assets		(5,822)	237
Related parties		-	289
Claims receivables		1,876	(1,894)
Increase / (decrease) in:			
Trade accounts payable		(1,291)	180
Other payables and accruals		6,596	407
Deferred revenue		(469)	(4,594)
Cash provided by operations		83,714	168,237
Interest paid		(17,276)	(22,174)
Net cash provided by operating activities		66,438	146,063
Cash flows from investing activities			
Vessels' additions	4	(11,924)	(23,389)
Vessels' acquisition	4	(26,035)	(17,533)
Vessels' disposal		38,591	36,114
Interest income received		1,233	1,198
Net cash provided by / (used in) investing activities		1,865	(3,610)
Cash flows from financing activities			
Drawdown of long-term debt	7	16,500	10,000
Repayment of long-term debt	7	(50,151)	(63,987)
Prepayment of long-term debt	7	(25,980)	(20,480)
Financing fees paid		(151)	(315)
Shareholders contribution		-	-
Dividends paid	6	(12,502)	(60,507)
Net cash used in financing activities		(72,284)	(135,289)
Net increase in cash and cash equivalents		(3,981)	7,164
Cash and cash equivalents at the beginning of the year		32,970	25,806
Cash and cash equivalents at the end of the year	3	\$28,989	\$32,970

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

Contships Logistics Corp.
Notes to the consolidated financial statements
For the years ended December 31, 2024 and 2023
(All amounts in thousands of U.S. Dollars, except share and per share)

1. Incorporation and general information

The accompanying consolidated financial statements include the financial statements of Contships Logistics Corp. (“CLC” or the “Company”) and its wholly owned subsidiaries listed below (collectively the “Group”). The principal business of the Group is the ownership and operation of container vessels, providing maritime services for the transportation of containerized cargo on a worldwide basis.

CLC was incorporated in the Republic of the Marshall Islands on November 16, 2021. The Group’s operations are carried out from offices in Athens. The registered office of CLC is trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands, MH96960.

The Group’s operations are managed by Contships Management Inc. (“CMI” or the “Manager”), a related party fully owned by our controlling shareholder, established in the Republic of the Marshall Islands, which operates in Greece through a branch established at 45 Vasilisis Sofias Avenue, Athens, under the provisions of the Law 89/67, as amended.

The consolidated financial statements have been prepared by including the historical financial statements of the entities below, since their respective dates of incorporation for all periods presented.

The Group’s subsidiaries as of December 31, 2024 were the following:

Name	Activity	Incorporation Date	Incorporation Place
Contship Legacy Shipping S.A. (“Legacy”)	Shipowning	20-Nov-15	Liberia
Frankyl Maritime Company (“Frankyl”)	Shipowning	4-Apr-16	Liberia
Bianca Shipholding Ltd. (“Bianca”)	Shipowning	8-Jun-16	Liberia
Brusa Oceanways Inc. (“Brusa”)	Shipowning	8-Jun-16	Liberia
Wismar Marine Ltd. (“Wismar”)	Shipowning	14-Nov-16	Liberia
Lubeck Oceanways Inc. (“Lubeck”)	Shipowning	14-Nov-16	Liberia
Schleswig Navigation Corp. (“Schleswig”)	Shipowning	13-Dec-16	Liberia
Contship Eco Shipping S.A. (“Eco”)	Shipowning	14-Mar-14	Liberia
Contship Symphony Shipping Inc. (“Symphony”)	Shipowning	12-Jan-16	Liberia
Amberjack Oceanways Ltd. (“Amberjack”)	Shipowning	28-Jun-17	Liberia
Albacore Navigation Ltd. (“Albacore”)	Shipowning	28-Jun-17	Liberia
Santiago Investment Corporation (“Santiago”)	Shipowning	8-Feb-17	Liberia
Sky Liberty Investments Limited (“Sky Liberty”)	Shipowning	27-Dec-16	Liberia
Antico Marine Ltd. (“Antico”)	Shipowning	27-Jun-18	Liberia
Verona Shipt trading Inc. (“Verona”)	Shipowning	6-Jul-17	Liberia
Woodstone Maritime Company (“Woodstone”)	Shipowning	31-May-18	Liberia
Ikaria Shipt trading S.A. (“Ikaria”)	Shipowning	27-Jun-18	Liberia
Genoa Marine Ltd (“Genoa”)	Shipowning	18-Nov-19	Liberia
Alicante Maritime Company (“Alicante”)	Shipowning	3-Apr-19	Liberia
Asher Shipping Limited (“Asher”)	Shipowning	3-May-18	Liberia
Cyrus Corporation (“Cyrus”)	Shipowning	2-Jan-19	Liberia
Bari Maritime Ltd (“Bari”)	Shipowning	18-Nov-19	Liberia
Marbella Maritime Ltd (“Marbella”)	Shipowning	23-Oct-19	Liberia
Meteora Marine S.A. (“Meteora”)	Shipowning	6-Jul-17	Liberia

Contships Logistics Corp.
Notes to the consolidated financial statements
For the years ended December 31, 2024 and 2023
(All amounts in thousands of U.S. Dollars, except share and per share)

1. Incorporation and general information (Continued)

Name	Activity	Incorporation Date	Incorporation Place
Mizuna Inc. ("Mizuna")	Shipowning	1-Mar-18	Liberia
Nemea Navigation S.A. ("Nemea")	Shipowning	6-Jul-17	Liberia
Parnell Corporation ("Parnell")	Shipowning	23-Feb-18	Liberia
Sevilla Maritime Company ("Sevilla")	Shipowning	3-Apr-19	Liberia
Ancona Marine Ltd ("Ancona")	Shipowning	18-Nov-19	Liberia
Siena Maritime Ltd ("Siena")	Shipowning	18-Nov-19	Liberia
Syracuse Marine Ltd ("Syracuse")	Shipowning	18-Nov-19	Liberia
Palermo Maritime Ltd ("Palermo")	Shipowning	18-Nov-19	Liberia
Umbria Marine Ltd. ("Umbria")	Shipowning	16-Oct-20	Liberia
Lazio Marine Ltd. ("Lazio")	Shipowning	20-Oct-20	Liberia
Sorrento Marine Ltd. ("Sorrento")	Shipowning	18-Jan-22	Liberia
Ravello Navigation S.A. ("Ravello")	Shipowning	4-Oct-22	Liberia
Positano Marine S.A. ("Positano")	Shipowning	4-Oct-22	Liberia
Almeria Marine Ltd. ("Almeria") ¹	Shipowning	24-Feb-23	Liberia
Tarragona Oceanways S.A. ("Tarragona") ²	Shipowning	30-Mar-23	Liberia
Cassano Maritime Ltd. ("Cassano") ³	Shipowning	4-Apr-23	Liberia
Monza Sea Marine Ltd. ("Monza") ⁴	Shipowning	3-Apr-24	Liberia
Corsica Navigation Co. ("Corsica") ⁵	Shipowning	19-Sep-24	Liberia
Nereus Oceanways Inc. ("Nereus")	Former Shipowning	9-Nov-15	Liberia
Willard Maritime Ltd. ("Willard")	Former Shipowning	29-Dec-15	Liberia
Salerno Oceanways S.A. ("Salerno") ⁶	Former Shipowning	4-Oct-22	Liberia
Amalfi Seas S.A. ("Amalfi") ⁷	Former Shipowning	4-Oct-22	Liberia
Rosehill Shipholding Inc. ("Rosehill") ⁸	Former Shipowning	29-Dec-15	Liberia
Columba Seas S.A. ("Columba") ⁹	Former Shipowning	2-Apr-21	Liberia
Contship Ability Shipping Inc. ("Ability") ¹⁰	Former Shipowning	12-Jan-16	Liberia
Calabria Marine Ltd. ("Calabria") ¹¹	Former Shipowning	20-Oct-20	Liberia
Auriga Navigation Co. ("Auriga") ¹²	Former Shipowning	10-Mar-21	Liberia
Brazil Marine Inc. ("Brazil") ¹³	Former Shipowning	8-Jun-16	Liberia
Marea Navigation S.A. ("Marea") ¹⁴	Former Shipowning	25-Aug-17	Liberia

1 Almeria took delivery of M/V Contship Luv on April 10, 2023 (Note 4).

2 Tarragona took delivery of M/V Contship Box on November 16, 2023 (Note 4).

3 Cassano took delivery of M/V Contship Gem on February 20 2024 (Note 4).

4 Monza took delivery of M/V Contship Day on July 29, 2024 (Note 4).

5 Corsica took delivery of M/V Contship Cup on November 29, 2024 (Note 4).

6 On December 12, 2023, Salerno sold M/V Contship Rex (Note 4).

7 On December 14, 2023, Amalfi sold M/V Contship Dax (Note 4).

8 On March 14, 2024, Rosehill sold M/V Contship Pro (Note 4).

9 On July 3, 2024, Columba sold M/V Contship Eve (Note 4).

10 On November 26, 2024, Ability sold M/V Contship Max (Note 4).

11 On December 2, 2024, Calabria sold M/V Contship Pep (Note 4).

12 On December 6, 2024, Auriga sold M/V Contship Ana (Note 4).

13 On December 10, 2024, Brazil sold M/V Contship Quo (Note 4).

14 On December 20, 2024, Marea sold M/V Contship Bee (Note 4).

Contships Logistics Corp.
Notes to the consolidated financial statements
For the years ended December 31, 2024 and 2023
(All amounts in thousands of U.S. Dollars, except share and per share)

1. Incorporation and general information (Continued)

The consolidated financial statements of the Group include the financial statements of CLC and the following subsidiaries, all of them being vessel owning companies and dormant:

Shipping company	Vessel name	TEU	Year built	Date of vessel acquisition
Lazio Marine Ltd.	Contship Ivy	925	2007	2-Dec-14
Contship Legacy Shipping S.A.	Contship Joy	925	2007	2-Dec-14
Frankyl Maritime Company	Contship New	1,118	2007	30-Jun-16
Bianca Shipholding Ltd.	Contship Oak	1,118	2007	26-Jul-16
Brusa Oceanways Inc.	Contship Ray	1,118	2008	28-Dec-16
Wismar Marine Ltd.	Contship Sun	966	2007	30-Jan-17
Lubeck Oceanways Inc.	Contship Top	1,118	2008	27-Apr-17
Schleswig Navigation Corp.	Contship Uno	1,118	2007	19-Apr-17
Contship Eco Shipping S.A.	Contship Eco	750	2008	26-Mar-14
Contship Symphony Shipping Inc.	Contship Fun	964	2006	6 -Apr-16
Amberjack Oceanways Ltd.	Contship Vow	1,118	2007	10-Aug-17
Albacore Navigation Ltd.	Contship Win	1,118	2008	24-Aug-17
Santiago Investment Corporation	Contship Zen	1,072	2014	14-Jun-18
Sky Liberty Investments Limited	Contship Cub	1,072	2013	4-Jul-18
Antico Marine Ltd.	Contship Don	1,098	2006	21-Nov-18
Verona Shiptrading Inc.	Contship Air	1,118	2006	9-Aug-18
Woodstone Maritime Company	Contship Fox	1,114	2009	10-Dec-18
Ikaria Shiptrading S.A.	Contship Era	1,114	2009	17-Dec-18
Genoa Marine Ltd	Contship Ten	1,114	2007	29-Jun-20
Alicante Maritime Company	Contship Ace	1,267	2008	12-Nov-19
Asher Shipping Limited	Contship Zoe	1,114	2007	3-Jun-19
Cyrus Corporation	Contship Way	1,114	2008	22-May-19
Bari Maritime Ltd	Contship Vie	1,114	2007	22-Jun-20
Marbella Maritime Ltd	Contship Med	1,118	2004	19-Dec-19
Meteora Marine S.A.	Contship Ice	1,341	2011	15-Feb-19
Mizuna Inc.	Contship Run	1,432	2007	4-Mar-19
Nemea Navigation S.A.	Contship Gin	1,341	2011	13-Feb-19
Parnell Corporation	Contship Sea	1,432	2007	14-Mar-19
Sevilla Maritime Company	Contship Jet	1,267	2007	24-Sep-19
Ancona Marine Ltd	Contship Pax	1,114	2008	24-Jun-20
Siena Maritime Ltd	Contship Ono	1,118	2007	12-Mar-20
Syracuse Marine Ltd	Contship Leo	1,118	2008	13-Oct-20
Palermo Maritime Ltd	Contship Key	1,022	2007	3-Dec-20
Umbria Marine Ltd.	Contship Lex	1,114	2006	25-Feb-21
Sorrento Marine Ltd.	Contship Sky	1,118	2008	13-May-22
Ravello Navigation S.A.	Contship Art	1,102	2014	12-Nov-22
Positano Marine S.A.	Contship Yen	1,102	2014	17-Nov-22
Almeria Marine Ltd.	Contship Luv	1,118	2008	10-Apr-23
Tarragona Oceanways S.A.	Contship Box	1,506	2009	16-Nov-23
Cassano Maritime Ltd.	Contship Gem	966	2010	20-Feb-24
Monza Sea Marine Ltd.	Contship Day	1,484	2010	29-Jul-24
Corsica Navigation Co.	Contship Cup	1,496	2012	29-Nov-24

1. Incorporation and general information (Continued)

<u>Shipping company</u>	<u>Vessel name</u>	<u>TEU</u>	<u>Year built</u>	<u>Date of vessel disposal</u>
Nereus Oceanway Inc.	Contship Gem	1,083	2003	Disposed 10-Jun-21
Willard Maritime Ltd.	Contship Hub	1,083	2003	Disposed 23-Jun-21
Salerno Oceanways S.A.	Contship Rex	1,102	2015	Disposed 12-Dec-23
Amalfi Seas S.A.	Contship Dax	1,102	2016	Disposed 14-Dec-23
Rosehill Shipholding Inc.	Contship Pro	1,083	2003	Disposed 14-Mar-24
Columba Seas S.A.	Contship Eve	966	2008	Disposed 3-Jul-24
Contship Ability Shipping Inc.	Contship Max	966	2006	Disposed 26-Nov-24
Calabria Marine Ltd.	Contship Pep	966	2006	Disposed 2-Dec-24
Auriga Navigation Co.	Contship Ana	966	2006	Disposed 6-Dec-24
Brazil Marine Inc.	Contship Quo	998	2007	Disposed 10-Dec-24
Marea Navigation S.A.	Contship Bee	1,118	2006	Disposed 20-Dec-24

Impact of Invasion in Ukraine on the Group's Business

The invasion in Ukraine by Russia has disrupted supply chains and caused instability in the energy markets and the global economy, which have experienced significant volatility. The United States and the European Union, among other countries, have announced sanctions against Russia, including sanctions targeting the Russian oil sector, among those a prohibition on the import of oil and coal from Russia to the United States.

The ongoing conflict could result in uncertain impacts on the international shipping markets the world economy and consequently the Group's business and results of operations.

To date, no apparent consequences have been identified on the Group's business. Management continuously monitors developments between the Ukraine and Russia which may affect the Group.

Currently, the invasion in Ukraine by Russia has not had any negative impact on the trading of the Group's vessels or its revenues but may have an adverse impact on the Group's ability to man and operate its containerships with suitably experienced crew members from the Ukraine or Russia and, as a consequence, its crew costs may increase, which could have an adverse effect on its results of operations and financial condition.

In the case of a call at a Russian port management undertakes due diligence with respect to all of the parties and cargoes involved with such calls in order to verify that such parties and cargoes are compliant with sanctions regulations. The Group has no transactions with sanctioned entities or persons. Currently, none of the Group's vessels call at Russian ports.

Impact of Conflict in Gaza and the subsequent Red Sea Crisis on the Group's Business

The conflict between Israel and Hamas in the Gaza Strip and the Red Sea Crisis has not affected the Group's business to date; however, an escalation of this conflict could have reverberations on the regional and global economies that could have the potential to adversely affect demand for containership cargoes and the Group's business. The Group will continue to monitor and assess the global economic conditions, developments, along with their potential direct or indirect negative effects on the containership market which may affect the Group.

2. Significant accounting policies and accounting estimates

2.1 Basis of presentation

These consolidated financial statements comprise of the financial statements of the Group (see Note 1). The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies.

The accompanying consolidated financial statements have been prepared under the historical cost basis, except for vessels that have been measured at fair value. All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

As of December 31, 2024 the Group’s current liabilities exceeded its current assets by \$19,457. Based on management’s going concern assessment the Group will continue to operate as a going concern, supported mainly from the fact that the Group’s future minimum charter revenue, net of address commissions, expected to be recognized on non-cancellable time charters (Note 12), which is the Group’s main driver of profitability, will provide the Group with sufficient funds in order to cover its working capital deficit as of December 31, 2024, expenses to be incurred and capital commitments for the period ending twelve months from these financial statements.

These financial statements are presented in thousand U.S. dollars as this is the Group’s functional currency.

These consolidated financial statements have been approved by the Company’s Board of Directors on April 11, 2025.

Foreign currency translation

The functional currency of the Group is the U.S. Dollar because the Group’s vessels operate in international shipping markets in which, revenues and expenses are settled mainly in U.S. Dollars. Transactions in currencies other than the Group’s functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences are recognized in earnings in the period in which they arise.

Cash and cash equivalents

Cash represents cash on hand and deposits with banks which are repayable on demand. Cash equivalents represent short term, highly liquid investments which are readily convertible into known amounts of cash with original maturities of three months or less at the time of purchase that are subject to an insignificant risk of change in value.

Inventories

Inventories consist of lubricants, bunkers on board the vessel, in the event of a vessel not being employed under a charter, and spares which are stated at the lower of cost and net realizable value. Cost is determined by the first in, first out method.

2. Significant accounting policies and accounting estimates (Continued)

2.2 Summary of significant accounting policies (Continued)

Vessels

Vessels are initially recognized at cost. Cost consists of the vessel's contract price and any material expenses incurred upon acquisition of the vessel (initial repairs, improvements, delivery expenses and other expenditures) to prepare the vessel for its initial voyage. Subsequent expenditures for major improvements are also capitalized when it is probable that future economic benefits associated with the improvement will flow to the entity and the cost of the improvement can be measured reliably.

Subsequent to initial recognition, vessels are carried at a revalued amount, being their fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Valuations are obtained by independent third-party appraisers to assist management in its valuation (Level 2 fair value measurement). Revaluations are made on an annual basis as of December 31 to ensure that the carrying amount does not differ significantly from fair value. In case there is external evidence that would indicate the carrying values of the vessels have either increased or decreased over 10%, an interim revaluation is performed.

Any revaluation surplus, the excess of fair value of the asset from its carrying value (including unamortized dry-docking cost), is credited to other comprehensive income or loss and accumulated to the asset revaluation reserve in equity, except to the extent that it reverses a revaluation decrease of the same asset previously recognized in the statement of comprehensive income or loss, in which case the increase is recognized in the statement of comprehensive income or loss. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is applied to the revalued amount of the asset.

Gains and losses on disposal of a vessel are recognized in the statement of comprehensive income or loss. The revaluation surplus is reclassified within the retained earnings and not reclassified to the statement of comprehensive income or loss when the assets are disposed.

Depreciation and amortisation

Depreciation is calculated using the straight-line method over the remaining estimated useful life of the vessels, after considering the estimated residual value. The assumed value of scrap steel for the purpose of estimating the residual values of vessels is calculated at \$400 per lightweight ton and the useful life of the vessels to be 30 years from the date of initial delivery from the shipyard.

Special survey and dry-docking costs are capitalized as a separate component of vessel cost on acquisition of the vessel. At the date of acquisition of a vessel, management estimates the component of the cost that corresponds to the economic benefit to be derived until the first scheduled dry-docking of the vessel under the ownership of the Group. These costs are capitalized when incurred and amortized over the estimated period to the next scheduled dry-docking or special survey, which is generally every 2.5 or 5 years, respectively.

Secondhand vessels acquired with a charter contract attached

In the case of a secondhand vessel acquired with a charter contract attached, the acquisition cost of the vessel is adjusted to reflect the off-market element, if the terms of the charter contract attached are favourable or unfavourable relative to market terms and prices. Accordingly, depreciation of the vessel acquired is adjusted to reflect the timing of the cash flows attributable to the underlying charter contract attached.

2. Significant accounting policies and accounting estimates (Continued)

2.2 Summary of significant accounting policies (Continued)

Vessels held for sale

It is the Company's policy to dispose of vessels when suitable opportunities occur and not necessarily to keep them until the end of their useful life. Vessels are classified as held for sale when all applicable criteria enumerated under IFRS 5 are met and are measured at the lower of their carrying amount or fair value less cost to sell. These assets are not depreciated once they meet the criteria to be held for sale. A revaluation surplus or deficit for an asset held for sale is recognized when its fair value less cost to sell is higher/lower than its carrying value at the date it meets the held for sale criteria and upon subsequent measurement.

Interest bearing loans and borrowings

Loans and borrowings are initially recognized at the fair value of the consideration received net of issuance costs associated with the borrowing. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method.

Financing and borrowing costs

Fees incurred for obtaining new loans or refinancing existing loans are deferred and amortized over the life of the related facility, using the effective interest rate method. Any unamortized balance of costs relating to loans repaid or refinanced is expensed in the period the repayment or refinancing is made.

Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds. Borrowing costs are expensed in the accompanying consolidated statement of comprehensive income or loss under line item "Interest and finance costs", except for borrowing costs that relate to a qualifying asset. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use. Borrowing costs that relate to qualifying assets are capitalized.

Revenue and expense recognition

Revenues are generated from time charter agreements. Time charter revenues are recorded over the lease term of the charter as the service is provided. To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease.

As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

If the lease qualifies as an operating lease, e.g. time charter out, the leased asset remains on the balance sheet of the lessor and continues being depreciated. The Group recognizes lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'revenue'. Payments related to service component made under operating leases are also recognized in the income statement over the term of the lease.

Revenues generated from chartering out vessels on time charter agreements are accounted for as operating lease revenues and are recognized on a straight-line basis over the non-cancelable term of the relevant time charter starting from the vessel's delivery to the charterer, when a charter agreement exists, excluding any off-hire period, the vessel is made available and services are provided to the charterer and collection of the respective hire is reasonably assured. If a time charter contains one or more consecutive option periods, then subject to the options being reasonably certain to be exercised by the charterer, the time charter revenue will be recognized on a straight-line basis over the total remaining life of the time charter, the time charter revenue will be recognized on a straight-line basis over the total remaining life of the time charter from the date of modification. Any difference between the charter rate invoiced and the time charter revenue recognised is classified as, or released from, either accrued income or deferred revenue. For the year ended December 31, 2024 the effect on "Revenue, net" is a decrease of \$2 and for the year ended December 31, 2023 a decrease of \$6,805, and "Accrued income", current and non-current as of December 31, 2024 amounted to \$431 (2023: \$433) and \$ nil (2023: \$nil), respectively.

2. Significant accounting policies and accounting estimates (Continued)

2.2 Summary of significant accounting policies (Continued)

Revenue and expense recognition (Continued)

IFRS 16 “Leases” requires to separate lease and non-lease components, with the lease component qualifying as operating lease under IFRS16 and the service components accounted for under IFRS 15 “Revenue from Contracts with Customers”. Revenue earned under time charter agreements is not negotiated in its two separate components, but as a whole. In order to prepare the required disclosure, the residual allocation method was used. The Group estimates the non-lease component as the cost of operating the vessels by taking into consideration all operating costs excluding insurances. The lease component is then calculated as the difference between total revenue after deducting the non-lease component. For the years ended December 31, 2024 and 2023 the lease component amounted to \$113,459 and \$197,689 respectively, and the non-lease component to \$78,999 and \$77,295, respectively.

Address commissions, which represent a discount (sales incentive) on services rendered by the Group and no identifiable benefit is received in exchange for this consideration provided to the charterer, are presented as a reduction of revenue. For the years ended December 31, 2024 and 2023, address commissions amounted to \$4,342 and \$7,350, respectively, and are included in the accompanying consolidated statements of comprehensive income or loss under line item “Revenue, net”.

Operating revenue from significant customers (constituting more than 10% of total time charter revenue) was as follows:

Charterer	Year ended December 31,	
	2024	2023
CMA CGM	26%	29%
COSCO	15%	13%
MSC	14%	12%
ZISS	12%	25%

Deferred revenue includes hire collected prior to the reporting date relating to services to be rendered after the statement of financial position date as well as any difference between the charter rate invoiced and the time charter revenue and is included in the accompanying consolidated statement of financial position under line item “Deferred revenue” and is classified as a current liability.

Vessel operating expenses comprise all expenses relating to the operation of the vessel, including crewing, insurance, repairs and maintenance, stores, lubricants, spares and consumables, and miscellaneous expenses. Vessel operating expenses are recognized as incurred; payments in advance for services or products to be consumed or expensed in the next reporting period are recorded as prepaid expenses.

Under the Group’s time charter arrangements, charterers bear substantially all voyage expenses, including bunker fuel, port chargers and canal toll, but not brokerage commissions, which the Group has historically paid to ship brokers based on a percentage commission calculated on the gross revenue.

General and administrative expenses

General and administrative expenses include, among other expenses, audit fees.

2. Significant accounting policies and accounting estimates (Continued)

2.2 Summary of significant accounting policies (Continued)

Voyage expenses

Voyage expenses and brokerage commissions on revenue, other than address commissions, are expensed as incurred. Commissions are recognized as expenses on a pro rata basis over the duration of the period of the time charter. Bunkers consumption, agency fees, port expenses and canal tolls are consumed or expensed during vessels' unemployment and off-hire.

Trade receivables, net

Trade receivables, net include estimated recoveries from hire, net of a provision for doubtful accounts. Trade accounts receivable without a significant financing component are initially measured at their transaction price and subsequently measured at amortized cost less impairment losses, which are recognized in the consolidated statement of comprehensive income or loss and other comprehensive income or loss. At each reporting date, all potentially uncollectible accounts are assessed individually for purposes of determining the appropriate provision for doubtful accounts.

Bad debts are written-off in the year in which they are identified. Provision for expected credit losses is charged in the consolidated statement of comprehensive income or loss and other comprehensive income or loss in the year incurred. There were no provisions for credit losses recognized for the years ended December 31, 2024 and 2023.

Provisions and contingencies

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources will be required to settle this obligation and a reliable estimate of the amount of the obligation can be made. Provisions are reviewed at each reporting date and adjusted to reflect the present value of the expenditure expected to be required to settle the obligation. Contingent liabilities are not recognized in the financial statements but are disclosed unless the possibility of an outflow of resources is remote. Contingent assets are not recognized in the financial statements but are disclosed when an inflow of economic benefits is probable.

Financial assets and liabilities

Financial assets

Initial recognition measurement of financial assets

Under IFRS 9, on initial recognition, a financial asset either debt investment or equity investment, is classified and subsequently measured at: amortized cost; fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL). The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows;
- and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

2. Significant accounting policies and accounting estimates (Continued)

2.2 Summary of significant accounting policies (Continued)

Financial assets and liabilities (Continued)

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

A financial asset (unless it is a trade receivable without a significant financing component that is initially measured at the transaction price) is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

Impairment of financial assets

IFRS 9 introduces the 'expected credit loss' (ECL) model. The new impairment model applies to financial assets measured at amortized cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments.

The financial assets at amortized cost consist of trade receivables and cash and cash equivalents. Under IFRS 9, loss allowances are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from possible default events within the 12 months after the reporting date; and
- lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analyzes, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 180 days past due.

The Group considers a financial asset to be in default when:

- the counterparty is unlikely to pay its contractual obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 1 year past due.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk. ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between cash flows due to the Group in accordance with the contract and cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset. Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

2. Significant accounting policies and accounting estimates (Continued)

2.2 Summary of significant accounting policies (Continued)

Financial assets and liabilities (Continued)

Derecognition of financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognized when:

- the rights to receive cash flows from the asset have expired;
- the Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a “pass-through” arrangement; or
- the Group has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the assets, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where the Group has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Group’s continuing involvement in the asset.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Financial liabilities

Initial recognition and measurement of financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group’s financial liabilities include trade and other payables, loans and borrowings.

Subsequent measurement of financial liabilities

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortised cost (loans and borrowings)

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the statement of profit or loss. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Group has not designated any financial liability as at fair value through profit or loss.

2. Significant accounting policies and accounting estimates (Continued)

2.2 Summary of significant accounting policies (Continued)

Financial assets and liabilities (Continued)

Financial liabilities at amortised cost (loans and borrowings)

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss. This category generally applies to interest-bearing loans and borrowings.

Derecognition of financial liabilities:

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and, the difference in the respective carrying amounts is recognized in profit or loss.

Fair value of financial assets and liabilities

There are no financial instruments in Levels 1 and 3 and no transfers between Levels 1 and 2 during the years and periods presented. The definitions of the Levels, provided by IFRS 7 *Financial instruments Disclosure*, are based on the degree to which the inputs used to determine fair value are observable.

- Level 1 fair value measurements are those derived from quoted prices in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Current versus non-current classification

The Group presents assets and liabilities in the consolidated statement of financial position based on current/non-current classification.

An asset as current when it is:

- Expected to be realized or intended to be sold or consumed in a normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period

All other assets are classified as non-current. A liability is current:

- It is expected to be settled in a normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period
- It does not have the right at the end of the reporting period to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

2. Significant accounting policies and accounting estimates (Continued)

2.2 Summary of significant accounting policies (Continued)

Debt modification or extinguishment

Under IFRS 9, accounting for a debt modification depends on whether the terms of the original debt agreement have been substantially modified. When they are substantially modified (i.e. the modification is ‘substantial’), the original debt instrument is considered extinguished and is derecognized for accounting purposes, and a new debt instrument is recognized in its place. Conversely, when a modification is non-substantial, the original debt instrument is modified. Similarly, the impact to profit or loss differs based on whether the terms of the original debt have been substantially modified.

A debt modification is considered substantial upon performance under a quantitative and qualitative assessment.

With respect to the quantitative assessment, if net present value of the debt cash flows under the new terms is different by at least 10% from the present value of the remaining cash flows under the original terms, then debt modification is considered substantial. Cash flows are defined as net of any fees paid and/or received and are discounted using the effective interest rate of the original debt.

The purpose of a qualitative assessment is to identify substantial differences in terms that by their nature are not captured by a quantitative assessment. Accordingly, modifications whose effect is included in the quantitative assessment, and that are not considered substantial based on that assessment, cannot generally be considered substantial on their own from a qualitative perspective. These may include changes in principal amounts, maturities, interest rates, prepayment options and other contingent payment terms.

If the modification is concluded to be substantial the original debt is derecognized and a new debt is recognized, new debt is measured at fair value and the difference between the carrying amount of the original debt and the consideration paid to extinguish it is generally recognised as gain or loss on extinguishment.

If the modification is concluded not to be substantial the original debt is not derecognized, an adjustment is performed in the carrying amount of the debt to the net present value of the revised cash flows discounted using the original effective interest rate (applying floating rate approach where appropriate) and it is amortized over its remaining term (i.e. revise the effective interest rate of the debt).

Segment information

The information provided to the Group’s chief operating decision makers to review the Group’s operating results and allocate resources is on a consolidated basis for a single reportable segment. Furthermore, when the Group charters a vessel to a charterer, the charterer is free to trade the vessel worldwide (subject to globally applicable trade restrictions) and, as a result, the disclosure of geographic information is impracticable.

European Union’s Emissions Trading System

Commencing January 1, 2024, the European Union’s Emissions Trading System (“EU ETS”) was extended to cover Carbon dioxide (“CO₂”) emissions from ships over 5,000 gross tons entering EU ports. The EU ETS covers (a) 50% of emissions from voyages either starting in or ending in an EU port, and (b) 100% of emissions from voyages between two EU ports or emissions generated while a ship is within an EU port. Shipping companies will have to surrender EU ETS emissions allowances (“EUA”) for each ton of reported CO₂ emissions in the scope of the EU ETS. There is a phase-in period for the regulations, as allowances will have to be submitted for 40% of 2024 emissions, 70% of 2025 emissions and 100% of emissions for 2026 and subsequent years. Beginning in 2026, the scope of the EU ETS will also be expanded to include Methane (“CH₄”) and Nitrous oxide (“N₂O”).

The value of the EUAs to be provided to the Group under the terms of its agreements with the charterers of its vessels is included in the accompanying consolidated statements of comprehensive income or loss under line item “Revenue, net”. The value of the EUA obligations incurred by the Company under the EU ETS is included in the accompanying consolidated statements of comprehensive income or loss under line item “Voyage expenses”. The EUAs and corresponding obligations are measured at the estimated cost of purchasing the credits from the EUA market, based on the date of completing a voyage. Unfunded EUAs obligations are revalued based upon a market approach utilizing prices published on an EUA market index. For the year ended December 31, 2024, the Group recorded EUAs amounting to \$4,665 under “Revenue, net”, and an equal amount under “Voyage expenses”.

2. Significant accounting policies and accounting estimates (Continued)

2.2 Summary of significant accounting policies (Continued)

European Union's Emissions Trading System (Continued)

EUAs held by the Group and receivable from the charterers are intended to be used to settle its EUA obligations and are included in the accompanying consolidated statements of financial position under line item "Prepaid expenses and other assets". EUAs relating to 2024 emissions are required to be surrendered to the EU authorities in September 2025. This obligation is presented under line item "Other payables and accruals" in the accompanying consolidated statements of financial position, since settlement to the EU is due within twelve months of the reporting date. EUAs relating to 2024 have been certified by an independent third party, therefore, no variance is expected.

2.3 Significant accounting judgements, estimates and assumptions

The preparation of consolidated financial statements in accordance with IFRS requires that Management makes assessments and estimates that affect the assets and liabilities, the income and expenses and the disclosure of contingent receivables and liabilities. These assessments and estimates are based on the information available to the Management of the Group and the markets in which it operates, and its experience in connection with similar transactions or events and are considered reasonable under the circumstances. Any subsequent possible changes in the existing conditions are taken into account in order to revise, if necessary, these assessments and estimates. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Significant accounting estimates regarding the assets of the Group are the estimates of useful life, residual value of the vessels and fair value measurement of the vessels as they affect significantly the financial statements.

In addition, the recoverability of receivables requires assessments and estimates that are also important, given that they may significantly affect the financial statements. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

In estimating the fair value of the vessel, the Group uses market observable data to the extent they are available. Where the level 1 inputs are not available, the Group engages third party qualified valuers to perform the valuation.

Information about the valuation techniques and inputs used in determining the fair value of the vessels are disclosed in Note 4.

Except as described below for the adoption of new standards effective as of January 1, 2024, the accounting policies adopted in the preparation of the consolidated financial statements for the year ended December 31, 2024 are consistent with those applied in the preparation of the consolidated financial statements for the year ended December 31, 2023.

2.4 New standards and interpretations

Standards and interpretations adopted in the year ended December 31, 2024:

- **IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current (Amendments)**
- **IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments Disclosure - Supplier Finance Arrangements (Amendments).**
- **IFRS 16 Leases: Lease Liability in a Sale and Leaseback (amendments).**

These newly adopted IFRS and amendments to IFRS did not have a material impact on the Group's accounting policies.

2. Significant accounting policies and accounting estimates (Continued)

2.4 New standards and interpretations (Continued)

Standards issued but not yet effective and not early adopted:

- **IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability (Amendments).** The amendments are effective for annual reporting periods beginning on or after January 1, 2025, with earlier application permitted. Management is in process of assessing the effect of these amendments on the Group's financial statements and disclosures.
- **IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures - Classification and Measurement of Financial Instruments (Amendments).** In May 2024, the IASB issued amendments to the Classification and Measurement of Financial Instruments which amended IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures and they become effective for annual reporting periods beginning on or after January 1, 2026, with earlier application permitted. Management is in process of assessing the effect of these amendments on the Group's financial statements and disclosures.
- **IFRS 18 Presentation and Disclosure in Financial Statements.** In April 2024, the IASB issued the IFRS 18 - Presentation and Disclosure in Financial Statements which replaces IAS 1 - Presentation of Financial Statements and it becomes effective for annual reporting periods beginning on or after January 1, 2027, with earlier application permitted. Management is in process of assessing the effect of these amendments on the Group's financial statements and disclosures. Management will analyse the requirements of this newly issued standard and assess its impact.
- **IFRS 19 Subsidiaries without Public Accountability: Disclosures.** In May 2024, the IASB issued the IFRS 19 - Subsidiaries without Public Accountability: Disclosures, and it becomes effective for annual reporting periods beginning on or after January 1, 2027, with earlier application permitted. Management is in process of assessing the effect of these amendments on the Group's financial statements and disclosures.
- **Annual Improvements to IFRS Accounting Standards – Volume 11.** In July 2024, the IASB issued Annual Improvements to IFRS Accounting Standards – Volume 11. An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2026. Earlier application is permitted. Management is in process of assessing the effect of these amendments on the Group's financial statements and disclosures.
- **Amendment in IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture.** In December 2015, the IASB postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting.

The Group plans to adopt these standards on their respective effective dates.

3. Cash and cash equivalents

	2024	2023
Cash held in banks	2,089	642
Cash held in time deposits	26,900	32,328
Total	<u>28,989</u>	<u>32,970</u>

Cash held in banks earns interest at floating rates based on daily bank deposit rates. Cash held in time deposits represents amounts placed at short-term time deposits, earning interest at rates agreed in advance between the Group and the respective financial institution. The fair value of cash and cash equivalents as of December 31, 2024 and December 31, 2023 was \$28,989 and \$32,970, respectively.

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4. Vessels, net

The amounts in the accompanying consolidated statements of financial position as of December 31, 2024 and 2023 are analyzed as follows:

	2024	2023
<u>Vessel</u>		
As of January 1	566,859	679,782
Additions	26,060	19,473
Disposals	(49,554)	(30,940)
Revaluation adjustment	54,670	(66,053)
Revaluation gain / (loss) on vessels	8,672	(35,403)
As of December 31	606,707	566,859
<u>Accumulated depreciation</u>		
As of January 1	(121,415)	(91,276)
Depreciation charge for the year	(25,773)	(31,555)
Disposals	17,479	1,416
As of December 31	(129,709)	(121,415)
Net carrying amount of vessel as of December 31	476,998	445,444
<u>Dry docking</u>		
As of January 1	94,596	74,083
Additions	11,899	20,705
Disposals	(6,625)	(192)
As of December 31	99,870	94,596
<u>Accumulated depreciation</u>		
As of January 1	(51,744)	(35,950)
Depreciation charge for the year	(13,949)	(15,794)
As of December 31	(65,693)	(51,744)
Net carrying amount of dry-docking as of December 31	34,177	42,852
<u>Time charter attached</u>		
As of January 1	1,730	1,440
Additions	-	517
Disposals	-	(227)
As of December 31	1,730	1,730
<u>Accumulated amortization</u>		
As of January 1	(1,226)	871
Amortization of time charter attached	(504)	(2,097)
As of December 31	(1,730)	(1,226)
Net carrying amount of time charter attached as of December 31	-	504
Total as of December 31	511,175	488,800
Reclassification to Vessels held for sale	(8,350)	-
Total, net carrying amount as of December 31	502,825	488,800

4. Vessels, net (Continued)

During the year ended December 31, 2024 based on market conditions existing at the time of the revaluations, the Group performed revaluations of its vessels, in accordance with its relevant accounting policy, the carrying value of which increased by \$63,342. The Group has accounted for the revaluation surplus by recording an amount of \$8,672 in the statement of comprehensive income or loss, and an amount of \$54,670 in other comprehensive income or loss for the year ended December 31, 2024.

As of December 31, 2023 based on market conditions existing at that time, the Group performed revaluation of its vessels, in accordance with its relevant accounting policy, the carrying value of which decreased by \$101,915. The Group has accounted for the revaluation deficit by recording an amount of \$35,403 in the statement of comprehensive income or loss, and an amount of \$66,512 in other comprehensive income or loss for the year ended December 31, 2023, which offsets existing surplus previously recognized in the revaluation surplus of the same assets.

The fair value of the vessels as of December 31, 2024 and 2023 was determined by the Group based on valuations from independent ship brokers, not related to the Group. The appraisal was performed on a "willing Seller and willing Buyer" basis, based on the sale and purchase market condition prevailing at the valuation date subject to the vessel being in sound condition and made available for delivery charter free and took into consideration recent sales and purchase transactions involving comparable vessels. The fair value of the vessels was derived from valuation techniques that include inputs for similar vessels adjusted for age and size that are considered observable market data and hence falls within level 2 of the fair value hierarchy. There have been no transfers between levels of hierarchy.

On January 30, 2024, the Group through its subsidiary Cassano entered into a memorandum of agreement to acquire M/V Contship Gem (ex Vega Scorpio), a 2010-built container vessel, from an unaffiliated entity. The Group took delivery of M/V Contship Gem on February 20, 2024. Previously, the Group through its subsidiary Nereus Oceanway Inc. owned a different vessel under the same name (details of which are disclosed in Note 1).

On April 12, 2024, the Group through its subsidiary Monza entered into a memorandum of agreement to acquire M/V Contship Day from an unaffiliated entity. The Group took delivery of M/V Contship Day on July 29, 2024.

On September 24, 2024, the Group through its subsidiary Corsica entered into a memorandum of agreement to acquire M/V Contship Cup from an unaffiliated entity. The Group took delivery of M/V Contship Cup on November 29, 2024.

During the year ended December 31, 2024, the Group paid a total consideration of \$26,035, including preliminary expenses, in order to complete the acquisition of the three vessels disclosed above.

On April 3, 2023, the Group through its subsidiary Almeria entered into a memorandum of agreement to acquire M/V Contship Luv from an unaffiliated entity. The Group took delivery of M/V Contship Luv on April 10, 2023.

On September 27, 2023, the Group through its subsidiary Tarragona entered into a memorandum of agreement to acquire M/V Contship Box from an unaffiliated entity. The Group took delivery of M/V Contship Box on November 16, 2023.

During the year ended December 31, 2023, the Group paid a total consideration of \$17,533, including preliminary expenses, in order to complete the acquisition of the two vessels disclosed above.

On March 14, 2024 the Group sold M/V Contship Pro. The vessel was classified as held for sale on March 4, 2024 when its memorandum of agreement was executed and, therefore, was depreciated until that date.

On July 3, 2024 the Group sold M/V Contship Eve. The vessel was classified as held for sale on May 23, 2024 when its memorandum of agreement was executed and, therefore, was depreciated until that date.

4. Vessels, net (Continued)

On November 26, 2024, on December 2, 2024, on December 6, 2024, on December 10, 2024 and on December 20, 2024 the Group sold M/V Contship Max, M/V Contship Pep, M/V Contship Ana, M/V Contship Quo and M/V Contship Bee, respectively. These five vessels were classified as held for sale on October 15, 2024 when their memoranda of agreement were executed and, therefore, were depreciated until that date.

The Group transferred directly to retained earnings the amount of \$1,073 representing existing surplus previously recognized in the revaluation surplus of M/V Contship Ana. Brokerage commissions in the amount of \$103 were charged to the Group upon sale of vessel M/V Contship Ana, and are included in the accompanying consolidated statements of comprehensive income or loss under line item "Vessels' disposal related expenses".

With respect to the disposals of the remaining six vessels which were completed during 2024, the Group recognized an aggregate revaluation loss of \$16,419 which is reflected in the accompanying consolidated statements of comprehensive income or loss under line item "Revaluation gain / (loss) on vessels".

The amount of \$16,419 includes brokerage commissions in the aggregate amount of \$647 charged to the Group upon sale of the six vessels.

During the year ended December 31, 2024, the Group received a total consideration of \$38,591 in order to complete the disposals of the seven vessels disclosed above.

On December 11, 2024 the Group through its subsidiary Verona entered into a memorandum of agreement to sell M/V Contship Air to an unaffiliated entity. On the same date the vessel was classified as held for sale upon execution of its memorandum of agreement and, therefore, was depreciated until that date (Note 14).

On December 12, 2023 and on December 14, 2023 the Group sold M/V Contship Rex and M/V Contship Dax, respectively. Both vessels were classified as held for sale on October 9, 2023 when their memoranda of agreement were executed and, therefore, were depreciated until that date.

The Group transferred directly to retained earnings the aggregate amount of \$6,827 representing existing surplus previously recognized in the revaluation surplus of the same assets. Brokerage commissions in the aggregate amount of \$638 were charged to the Group upon sale of vessels M/V Contship Rex and M/V Contship Dax, and are included in the accompanying consolidated statements of comprehensive income or loss under line item "Vessels' disposal related expenses".

During the year ended December 31, 2023, the Group received a total consideration of \$36,114 in order to complete the disposals of the two vessels disclosed above.

During the years ended December 31, 2024 and 2023 the Group capitalized the amounts of \$291 and \$1,198, respectively, representing costs for the installation of ballast water treatment system on its vessels.

As of December 31, 2024, all vessels of the Group have been pledged as collateral to secure the bank loans discussed in Note 7.

5. Transactions with related parties

Contships Management Inc. is engaged, under separate management agreements, directly with each vessel owning company of the Group, to provide a wide range of shipping managerial and administrative services such as commercial operations, technical support and maintenance, engagement and provision of crew, insurance arrangements and financial and accounting services in exchange of a management fee per month per vessel for all vessels. On January 1, 2022, all vessel owning companies of the Group entered into new management agreements with CMI.

CMI receives a management fee of \$25 per month per vessel for services provided. In addition, CMI is also entitled to receive a brokerage commission of 1.25% on all gross revenues earned by each vessel of the Group and a commission of 1.00% on the price of all vessel sales, unless an overriding agreement between the parties involved exists. The new management agreements are effective from January 1, 2022.

The Manager has subcontracted, through an amendment to the ship-broking agreement which services all of the Group's vessels dated January 1, 2022, the chartering and sale and purchase services to B&T (Shipbrokers) Inc. ("B&T" or the "Ship-Broker"), a company owned by the Group's Founder and controlling shareholder starting from January 1, 2022. Before January 1, 2022 B&T was entitled to receive a brokerage commission of up to 1.25% on all gross revenues earned by each vessel of the Group and a commission of 1.00% on the price of all vessel sales, subcontracted from CMI which was initially entitled to receive a brokerage commission of 1.25% on all gross revenues earned by each vessel of the Group and a commission of 1.00% on the price of all vessel sales. The management fees charged by CMI for the years ended December 31, 2024 and 2023 amounted to \$14,936 and \$14,100, respectively, and are separately reflected in the accompanying consolidated statements of comprehensive income or loss under line item "Management fees – related party". The brokerage commission charged by B&T on the price of vessels sold during the years ended December 31, 2024 and 2023 amounted to \$375 and \$213, respectively, were charged in accordance with the respective commission agreements in place.

Brokerage commissions on all gross revenues charged by B&T, for the years ended December 31, 2024 and 2023 amounted to \$2,333 and \$3,529, respectively, and are included in the accompanying consolidated statements of comprehensive income or loss under line item "Voyage expenses". As of December 31, 2024 and December 31, 2023 there was no balance either payable or receivable to/from CMI. As of December 31, 2024 and December 31, 2023, there was no balance either payable or receivable to/from B&T.

6. Share capital and paid-in capital

Share capital: The authorized share capital of the Company is divided into 174,408 shares, out of which 174,408 registered shares of a par value of \$0.01 each have been issued and outstanding as of December 31, 2024 and December 31, 2023. All shares are in registered form.

Paid-in capital: Paid-in capital of the Company amounts to \$121,155 as of December 31, 2024 and as of December 31, 2023 and consists of cash contributions made by the shareholders.

On March 29, 2023, the Company declared a dividend payable to its shareholders in the total amount of \$10,001 in order to distribute part of profits generated during the three months ended December 31, 2022. The dividend was paid on April 12, 2023.

On May 10, 2023, the Company declared a dividend payable to its shareholders in the total amount of \$15,501 in order to distribute part of its accumulated profits. The dividend was paid on May 23, 2023.

On September 7, 2023, the Company declared a dividend payable to its shareholders in the total amount of \$10,001 in order to distribute part of profits generated during the three months ended June 30, 2023. The dividend was paid on September 13, 2023.

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6. Share capital and paid-in capital (Continued)

On October 27, 2023, the Company declared a dividend payable to its shareholders in the total amount of \$12,502 in order to distribute part of profits generated during the three months ended September 30, 2023. The dividend was paid on October 31, 2023.

On December 18, 2023, the Company declared a dividend payable to its shareholders in the total amount of \$12,502 in order to distribute part of its accumulated profits. The dividend was paid on December 21, 2023.

On October 7, 2024, the Company declared a dividend payable to its shareholders in the total amount of \$12,502 in order to distribute part of its accumulated profits. The dividend was paid on October 9, 2024.

7. Long-term debt

	2024	2023
Amounts due within one year	42,156	50,801
Amounts due after one year	132,859	183,845
	<u>175,015</u>	<u>234,646</u>
Plus accrued interest	1,325	1,744
Less loan arrangement fees	(1,329)	(2,017)
Less gain on debt modification	(1,386)	(2,318)
Total	<u>173,625</u>	<u>232,055</u>

\$67,160 Loan Facility with National Bank of Greece S.A.

On December 6, 2021, Wismar, Lubeck, Schleswig, Verona, Marea, Meteora and Nemea entered as joint and several borrowers into a loan agreement providing for a secured term loan facility of up to \$67,160 with National Bank of Greece S.A. ("NBG") as lender to refinance indebtedness related to the respective seven vessels owned by the borrowers (Tranche A and Tranche B amounting to \$22,160 in total) and raise funding for general corporate needs, investment purposes and working capital (Tranche C amounting to \$45,000). The facility currently bears interest at SOFR plus a margin, with effect from July 19, 2023 as mutually agreed through the supplemental agreement dated July 19, 2023. Contships Logistics Corp. has provided an on-demand and irrevocable parent guaranty of the facility. The loan is secured by, among other things, seven vessels owned by the borrowers, their insurances, earnings, bank accounts and charter agreements which are longer than 12 months. The borrowers are subject to standard financial and restrictive covenants under the facility, including a vessel security to debt ratio and corporate guarantor's consolidated interest coverage ratio and total debt to vessel value ratio.

The initial facility also contained a mandatory prepayment requirement, which was amended as disclosed below, pursuant to which, in the case of an initial public offering of the Company's common shares, the Group shall prepay portion of the facility in a principal amount equal to the outstanding at that time balance of Tranche C, plus a prepayment fee.

Tranches A and B are repayable in 10 semi-annual installments, the first five in a total amount of \$1,043 and the remaining five in a total amount of \$1,067, plus a balloon installment in a total amount of \$11,608 payable together with the last installment. Repayment of Tranches A and B started on March 8, 2022 and matures on September 8, 2026.

Tranche C is repayable in 9 installments, the first of which amounting to \$20,000 was paid on December 8, 2022, followed by 8 semi-annual installments amounting to \$4,125 for installments 2 to 5, \$1,125 for installments 6 to 7 and \$3,125 for installments 8 to 9. Repayment of Tranche C matures on December 8, 2026.

7. Long-term debt (Continued)

On February 22, 2023, Wismar, Lubeck, Schleswig, Verona, Marea, Meteora and Nemea entered as joint and several borrowers into a supplemental agreement with NBG, in relation to the loan agreement dated December 6, 2021, where the lender provided its consent to an IPO of the Company on or before December 31, 2023. NBG's consent to an IPO of the Company was extended to the maturity date of the loan through the supplemental agreement dated March 6, 2024 (Note 14). The supplemental agreement with NBG dated February 22, 2023 also contains a mandatory prepayment requirement pursuant to which, in the case of an initial public offering of the Company's common shares, the Company shall prepay on or prior to December 31, 2023 portion of the facility in a principal amount equal to the outstanding at that time balance of Tranche C, plus a prepayment fee.

On July 19, 2023, Wismar, Lubeck, Schleswig, Verona, Marea, Meteora and Nemea as joint and several borrowers and the Company as corporate guarantor entered into a supplemental agreement with NBG, in relation to the loan agreement dated December 6, 2021, where transition from LIBOR to SOFR was mutually agreed with effect from the date of the agreement.

The supplemental agreement with NBG dated July 19, 2023 also contains an amended mandatory prepayment requirement pursuant to which, in the case of an initial public offering of the Company's common shares, the borrowers shall prepay the higher of i) an amount which is equal to 20% of the net proceeds of the IPO and ii) \$8,000, plus a prepayment fee. The amount to be prepaid subject to the amended mandatory prepayment requirement shall not exceed the outstanding at that time balance of Tranche C, which amounted to \$20,875 as of July 19, 2023 and \$16,750 as of December 31, 2023. Mandatory prepayment shall be made within 30 day of the occurrence of such IPO.

On September 15, 2023, Wismar, Lubeck, Schleswig, Verona, Marea, Meteora and Nemea as joint and several borrowers and the Company as corporate guarantor entered into a first supplemental agreement with NBG, in relation to the loan agreement dated December 6, 2021, for the discharge of the first preferred Liberian mortgage registered over M/V Contship Air and M/V Contship Bee, their registration under the Cyprus flag and the provision of a first preferred Cypriot mortgage registered over the two vessels.

The loan amendments with NBG that occurred during 2023 have been treated as debt modifications in accordance with IFRS 9 and a net amount of \$110 has been recognized as gain on debt modification for the year ended December 31, 2023, which is included in the accompanying consolidated statement of comprehensive income or loss under line item "Interest and finance costs". Amortization, including write-offs, of gain on debt modification for the year ended December 31, 2024 amounted to \$77 and is included in the accompanying consolidated statement of comprehensive income or loss under line item "Interest and finance costs".

On March 6, 2024 Wismar, Lubeck, Schleswig, Verona, Marea, Meteora and Nemea as joint and several borrowers and the Company as corporate guarantor entered into a second supplemental agreement with NBG, in relation to the loan agreement dated December 6, 2021, where the following were agreed: i) margin reduction from 3.00% to 2.35% with effect from March 8, 2024 and ii) provision of extension to the maturity date of the loan consent by the lender to an IPO of the Company.

On December 23, 2024, an amount of \$3,040 was repaid upon disposal of M/V Contship Bee owned by Marea (Note 4).

Accordingly, following the repayment and the release and discharge of Marea from all of its respective obligations under the loan agreement, the outstanding balance of \$21,337 as of December 23, 2024, is repayable as follows: Tranches A and B are repayable in 4 semi-annual installments in a total amount of \$1,067 each, plus a balloon installment in a total amount of \$9,628 payable together with the last installment. Repayment of Tranches A and B starts on March 8, 2025 and matures on September 8, 2026.

Tranche C is repayable in 4 semi-annual installments amounting to \$1,125 for installment 1 and 2, \$3,125 for installment 3 and \$2,065 for installment 4. Repayment of Tranche C starts on June 8, 2025 and matures on December 8, 2026.

7. Long-term debt (Continued)

The outstanding balance of the loan facility as of December 31, 2024 amounted to \$21,337.

As of December 31, 2024 an amount of \$2,930, additional to the scheduled repayment installments due in 2025, of the total outstanding balance of \$21,337 due to NBG was classified as current following the classification of M/V Contship Air as vessel held for sale on December 11, 2024 (Note 4). The amount of \$2,930 was repaid on January 23, 2025 (Note 14).

\$131,200 Facility with Piraeus Bank S.A.

On December 6, 2021, Alicante, Ancona, Asher, Bari, Cyrus, Genoa, Marbella, Mizuna, Palermo, Parnell, Sevilla, Siena, Syracuse and Umbria entered as joint and several borrowers into a loan agreement providing for a secured loan facility of up to \$131,200 with Piraeus Bank S.A. ("Piraeus Bank") as lender to refinance indebtedness related to the respective 14 vessels owned by the borrowers (Tranche A amounting up to \$36,200) and raise funding for general corporate needs, investment purposes and working capital (Tranche B amounting to \$95,000).

The total amount actually utilized was \$130,616. The facility currently bears interest at SOFR plus margin, with retrospective effect from June 8, 2023 as mutually agreed through the second supplemental agreement dated July 17, 2023. Contships Logistics Corp. has provided an on-demand and irrevocable parent guaranty of the facility. The loan is secured by, among other things, fourteen vessels owned by the borrowers, their insurances, earnings, bank accounts and charter agreements which are longer than 12 months. The borrowers are subject to standard financial and restrictive covenants under the facility, including a vessel security coverage ratio, an average minimum liquidity requirement and corporate guarantor's consolidated net debt to vessels value ratio.

The initial facility also contained a mandatory prepayment requirement, which was amended as disclosed below, pursuant to which, in the case of an initial public offering of the Company's common shares, the Group shall prepay portion of the facility in a principal amount equal to the outstanding at that time balance of Tranche B, within 30 days of the consummation of such offering.

On July 17, 2023, Alicante, Ancona, Asher, Bari, Cyrus, Genoa, Marbella, Mizuna, Palermo, Parnell, Sevilla, Siena, Syracuse and Umbria as joint and several borrowers and the Company as corporate guarantor entered into a second supplemental agreement with Piraeus Bank, in relation to the loan agreement dated December 6, 2021, where the following were agreed: i) transition from LIBOR to SOFR with retrospective effect from June 8, 2023, ii) margin reduction from 3.00% to 2.50% with retrospective effect from June 8, 2023 and iii) extension of the maturity date to June 8, 2027. Accordingly, the outstanding balance of Tranche A, which was \$28,116, as of the date of the second supplemental agreement, is repayable in 16 quarterly installments amounting to \$1,250 plus a balloon installment amounting to \$8,116 payable together with the last installment. Repayment of Tranche A started on September 8, 2023 and matures on June 8, 2027. The outstanding balance of Tranche B, which was \$47,500, as of the date of the second supplemental agreement, is repayable in 8 semi-annual installments amounting to \$7,500 for installments 1 to 5, \$5,000 for installment 6 and \$2,500 for installments 7 to 8. Repayment of Tranche B started on December 8, 2023 and matures on June 8, 2027.

The second supplemental agreement also contains an amended mandatory prepayment requirement pursuant to which, in the case of an initial public offering of the Company's common shares, the Group shall prepay Tranche B pro rata by an amount not less than 25% of the net proceeds of the IPO.

The amount to be prepaid subject to the amended mandatory prepayment requirement shall not exceed the outstanding at that time balance of Tranche B, which amounted to \$47,500 as of July 17, 2023 and \$40,000 as of December 31, 2023. Mandatory prepayment shall be made within 30 day of the occurrence of such IPO.

On October 2, 2023, Alicante, Ancona, Asher, Bari, Cyrus, Genoa, Marbella, Mizuna, Palermo, Parnell, Sevilla, Siena, Syracuse and Umbria entered as joint and several borrowers and the Company as corporate guarantor entered into a third supplemental agreement with Piraeus Bank, in relation to the loan agreement dated December 6, 2021, for the discharge of the first preferred Liberian mortgage registered over M/V Contship Key and M/V Contship Leo, their registration under the Cyprus flag and the provision of a first preferred Cypriot mortgage registered over the two vessels.

7. Long-term debt (Continued)

The loan amendments with Piraeus Bank that occurred during 2023 have been treated as debt modifications in accordance with IFRS 9 and a net amount of \$724 has been recognized as gain on debt modification for the year ended December 31, 2023, which is included in the accompanying consolidated statement of comprehensive income or loss under line item "Interest and finance costs". Amortization of gain on debt modification for the year ended December 31, 2024 amounted to \$224 and is included in the accompanying consolidated statement of comprehensive income or loss under line item "Interest and finance costs".

On March 29, 2024, Alicante, Ancona, Asher, Bari, Cyrus, Genoa, Marbella, Mizuna, Palermo, Parnell, Sevilla, Siena, Syracuse and Umbria entered as joint and several borrowers and the Company as corporate guarantor entered into a fourth supplemental agreement with Piraeus Bank, in relation to the loan agreement dated December 6, 2021, for the discharge of the first preferred Cypriot mortgage registered over M/V Contship Ono, its registration under the Liberian flag and the provision of a first preferred Liberian mortgage registered over the vessel.

The outstanding balance of the loan facility as of December 31, 2024 amounted to \$45,616.

\$71,750 Facility with Alpha Bank S.A.

On December 23, 2021, Ikaria, Woodstone, Albacore, Auriga, Bianca, Brusa, Legacy, Frankyl, Rosehill and Lazio entered as joint and several borrowers into a loan agreement providing for a secured loan facility of up to \$71,750 with Alpha Bank S.A. ("Alpha Bank") as lender to refinance indebtedness related to the respective ten vessels owned by the borrowers. \$36,750 was advanced on December 23, 2021 to fully refinance the then outstanding indebtedness with Alpha Bank and \$35,000 was drawn on January 4, 2022 for general corporate purposes. An amount of \$3,635, representing a deemed distribution to the major shareholder, which is included in the amount of \$71,750, was assumed by the Group with respect to the acquisition of M/V Contship Ana. The facility currently bears interest at SOFR plus a margin, with retrospective effect from July 5, 2023 as mutually agreed through the third supplemental agreement dated July 12, 2023. Contships Logistics Corp. has provided an on-demand and irrevocable parent guaranty of the facility. The loan is secured by, among other things, ten vessels owned by the borrowers, their insurances, earnings, bank accounts and charter agreements which are longer than 12 months. The borrowers are subject to standard financial and restrictive covenants under the facility, including a vessel security coverage ratio, an average minimum liquidity requirement and corporate guarantor's consolidated net debt to vessels value ratio.

On January 4, 2022, the Group performed drawdown of the committed amount of \$35,000 under its loan facility with Alpha Bank dated December 23, 2021, the purpose of which was to be utilized for general corporate purposes.

On March 31, 2022, Ikaria, Woodstone, Albacore, Auriga, Bianca, Brusa, Legacy, Frankyl, Rosehill and Lazio as joint and several borrowers, the Company as corporate guarantor and Calabria as new corporate guarantor entered into a first supplemental agreement with Alpha Bank, in relation to the loan agreement dated December 23, 2021, where i) it was agreed the Rosehill borrower (M/V Contship Pro) to be fully released and discharged from all of its respective obligations under the loan agreement and ii) additional security was provided to the lender through mortgage of M/V Contship Pep (Calabria) and assignment of its insurances, earnings, bank accounts and charter agreements which are longer than 12 months.

On July 14, 2022, Ikaria, Woodstone, Albacore, Auriga, Bianca, Brusa, Legacy, Frankyl and Lazio as joint and several borrowers and the Company and Calabria as corporate guarantors entered into a second supplemental agreement with Alpha Bank, in relation to the loan agreement dated December 23, 2021, where

i) the Lender provided its consent to the borrowers' intention to prepay part of the loan (\$37,500 at the date of the agreement) following the successful completion of the IPO and ii) it was agreed the repayment schedule of the loan to be amended accordingly, as provided in the second supplemental agreement dated July 14, 2022.

The remaining outstanding balance following the prepayment would be repayable in nine consecutive semi-annual installments of \$1,250 each plus a balloon installment amounting to \$14,000 payable together with the last installment. Final repayment installment was expected to be repaid on January 4, 2027.

7. Long-term debt (Continued)

On July 12, 2023, Ikaria, Woodstone, Albacore, Auriga, Bianca, Brusa, Legacy, Frankyl and Lazio as joint and several borrowers and the Company and Calabria as corporate guarantors entered into a third supplemental agreement with Alpha Bank, in relation to the loan agreement dated December 23, 2021, where the following were agreed: i) transition from LIBOR to SOFR with retrospective effect from June 6, 2023, ii) margin reduction from 3.00% to 2.80% with retrospective effect from July 5, 2023 and iii) extension of the maturity date to July 5, 2027. Accordingly, the outstanding balance of \$46,250, as of the date of the third supplemental agreement, is repayable in 8 semi-annual installments amounting to \$7,500 for the first installment, \$3,000 for installments 2 to 8 plus a balloon installment amounting to \$17,750 payable together with the last installment. Repayment started on January 5, 2024 and matures on July 5, 2027.

The loan amendments with Alpha Bank that occurred during 2023 have been treated as debt modifications in accordance with IFRS 9 and a net amount of \$774 has been recognized as gain on debt modification for the year ended December 31, 2023, which is included in the accompanying consolidated statement of comprehensive income or loss under line item "Interest and finance costs". Amortization, including write-offs, of gain on debt modification for the year ended December 31, 2024 amounted to \$288 and is included in the accompanying consolidated statement of comprehensive income or loss under line item "Interest and finance costs".

On December 2, 2024 and December 10, 2024, the amounts of \$3,020 and \$2,830 were paid upon disposal of M/V Contship Pep owned by Calabria and M/V Contship Ana owned by Auriga, respectively (Note 4).

Accordingly, following the repayments and the release and discharge of Calabria and Auriga from all of their respective obligations under the loan agreement, the outstanding balance of \$29,900 as of December 10, 2024, is repayable in 6 semi-annual installments amounting to \$2,510 each plus a balloon installment amounting to \$14,840 payable together with the last installment. Repayment starts on January 5, 2025 and matures on July 5, 2027.

The outstanding balance of the loan facility as of December 31, 2024 amounted to \$29,900.

\$36,500 Facility with Alpha Bank S.A.

On October 25, 2022, Rosehill, Columba, Positano and Salerno entered as joint and several borrowers into a loan agreement providing for a secured loan facility of up to \$36,500 with Alpha Bank as lender to refinance the acquisition cost of the respective four vessels owned by the borrowers. The aggregate amount of \$36,500 was fully utilized by November 17, 2022. The facility currently bears interest at term SOFR plus a margin. Contships Logistics Corp. has provided an on-demand and irrevocable parent guaranty of the facility. The loan is secured by, among other things, four vessels owned by the borrowers, their insurances, earnings, bank accounts and charter agreements which are longer than 12 months. The borrowers are subject to standard financial and restrictive covenants under the facility, including a vessel security coverage ratio, an average minimum liquidity requirement and corporate guarantor's consolidated net debt to vessels value ratio.

On October 5, 2023, Rosehill, Columba, Positano and Salerno as joint and several borrowers and the Company as corporate guarantor entered into a first supplemental agreement with Alpha Bank, in relation to the loan agreement dated October 25, 2022, for the discharge of the first preferred Liberian mortgage registered over M/V Contship Yen, its registration under the Cyprus flag and the provision of a first preferred Cypriot mortgage registered over the vessel.

On December 13, 2023, an amount of \$9,500 was repaid upon disposal of M/V Contship Rex owned by Salerno (Note 4).

On November 2, 2023, Rosehill, Columba and Positano obtained approval by Alpha Bank to amend the repayment schedule of the loan, as provided in the second supplemental agreement finalized on January 4, 2024 following the repayment and the release and discharge of Salerno from all of its respective obligations under the loan agreement.

7. Long-term debt (Continued)

The loan amendment that was approved on November 2, 2023 has been treated as debt modification in accordance with IFRS 9 and a net amount of \$246 has been recognized as gain on debt modification for the year ended December 31, 2023, which is included in the accompanying consolidated statement of comprehensive income or loss under line item "Interest and finance costs". Amortization, including write-offs, of gain on debt modification for the year ended December 31, 2024 amounted to \$139 and is included in the accompanying consolidated statement of comprehensive income or loss under line item "Interest and finance costs".

On January 4, 2024, Rosehill, Columba and Positano as joint and several borrowers and the Company as corporate guarantor entered into a second supplemental agreement with Alpha Bank, in relation to the loan agreement dated October 25, 2022, where it was agreed i) the repayment schedule of the loan to be amended accordingly, as provided in the second supplemental agreement dated January 4, 2024 and (ii) the discharge of the first preferred Cypriot mortgage registered over M/V Contship Eve, its registration under the Liberian flag and the provision of a first preferred Liberian mortgage registered over the vessel.

On February 29, 2024, Rosehill, Columba, Positano and Salerno as joint and several borrowers and the Company as corporate guarantor entered into a third supplemental agreement with Alpha Bank, in relation to the loan agreement dated October 25, 2022, for the discharge of the first preferred Cypriot mortgage registered over M/V Contship Pro, its registration under the Liberian flag and the provision of a first preferred Liberian mortgage registered over the vessel.

On March 14, 2024, an amount of \$3,500 was repaid upon disposal of M/V Contship Pro owned by Rosehill (Note 4).

Accordingly, following the repayment and the release and discharge of Rosehill from all of its respective obligations under the loan agreement, the outstanding balance of \$15,500 as of March 14, 2024, is repayable in 8 semi-annual installments amounting to \$410 for installments 1 to 4, \$543 for installments 5 to 8 plus a balloon installment amounting to \$11,688 payable together with the last installment. Repayment started on May 26, 2024 and would mature on October 26, 2027.

On July 3, 2024 an amount of \$5,500 was repaid upon disposal of M/V Contship Eve owned by Columba (Note 4).

Accordingly, following the repayment and the release and discharge of Columba from all of its respective obligations under the loan agreement, the outstanding balance of \$9,590 as of July 3, 2024, is repayable in 7 semi-annual installments amounting to \$261 for installments 1 to 3, \$346 for installments 4 to 7 plus a balloon installment amounting to \$7,423 payable together with the last installment. Repayment started on October 26, 2024 and matures on October 25, 2028.

The outstanding balance of the loan facility as of December 31, 2024 amounted to \$9,329.

\$31,500 Facility with Eurobank S.A.

On October 27, 2022, Amalfi, Ravello and Sorrento entered as joint and several borrowers into a loan agreement providing for a secured loan facility of up to \$31,500 (Tranches A and B amounting to \$12,000 each and Tranche C amounting to \$7,500) with Eurobank as agent to refinance the acquisition cost of the respective three vessels owned by the borrowers. The aggregate amount of \$31,500 was fully utilized by November 25, 2022. The facility currently bears interest at term SOFR plus a margin. Contships Logistics Corp. has provided an on-demand and irrevocable parent guaranty of the facility. The loan is secured by, among other things, eight vessels owned by the borrowers, their insurances, earnings, bank accounts and charter agreements which are longer than 12 months. The borrowers are subject to standard financial and restrictive covenants under the facility, including a vessel security coverage ratio and an average minimum liquidity requirement.

On December 14, 2023, an amount of \$10,980 was repaid upon disposal of M/V Contship Dax owned by Amalfi (Note 4).

7. Long-term debt (Continued)

Accordingly, following the repayment and the release and discharge of Amalfi from all of its respective obligations under the loan agreement, the outstanding balance of \$16,720 as of December 14, 2023, is repayable in 10 semi-annual installments amounting to \$1,170 for installments 1 to 2, \$880 for installments 3 to 10 plus a balloon installment amounting to \$7,340 payable together with the last installment. Repayment started on May 14, 2024 and matures on November 14, 2028.

On November 14, 2024, Ravello and Sorrento as joint and several borrowers and the Company as corporate guarantor entered into a first supplemental agreement with Eurobank, in relation to the loan agreement dated October 27, 2022, for the discharge of the first preferred Cypriot mortgage registered over M/V Contship Sky, its registration under the Liberian flag and the provision of a first preferred Liberian mortgage registered over the vessel.

The outstanding balance of the loan facility as of December 31, 2024 amounted to \$14,380.

\$5,000 Facility with Alpha Bank S.A.

On April 10, 2023, Almeria entered into a loan agreement providing for a bilateral secured loan facility of up to \$5,000 with Alpha Bank as lender to refinance part of the acquisition cost of the vessel owned by the borrower. The facility currently bears interest at SOFR plus a margin. Contships Logistics Corp. has provided an on-demand and irrevocable parent guaranty of the facility. The loan is secured by, among other things, the vessel owned by the borrower, its insurances, earnings, bank accounts and charter agreement which is longer than 12 months. The borrower is subject to standard financial and restrictive covenants under the facility, including a vessel security coverage ratio, an average minimum liquidity requirement and corporate guarantor's consolidated net debt to vessels value ratio.

The loan facility is repayable in 8 semi-annual installments amounting to \$350 for installments 1 to 2 and \$250 for installments 3 to 8 plus a balloon installment amounting to \$2,800 payable together with the last installment. Repayment started on October 11, 2023 and matures on April 11, 2027.

On September 18, 2023, Almeria as borrower and the Company as corporate guarantor entered into a first supplemental agreement with Alpha Bank, in relation to the loan agreement dated April 10, 2023, for the discharge of the first preferred Liberian mortgage registered over vessel M/V Contship Luv, its registration under the Cyprus flag and the provision of a first preferred Cypriot mortgage registered over the vessel.

On October 23, 2024, Almeria as borrower and the Company as corporate guarantor entered into a second supplemental agreement with Alpha Bank, in relation to the loan agreement dated April 10, 2023, for the discharge of the first preferred Cypriot mortgage registered over vessel M/V Contship Luv, its registration under the Liberian flag and the provision of a first preferred Liberian mortgage registered over the vessel.

The outstanding balance of the loan facility as of December 31, 2024 amounted to \$4,050.

\$52,673 Facility with Eurobank S.A.

On July 13, 2023, Ability, Symphony, Eco, Amberjack, Sky Liberty, Santiago, Brazil and Antico entered as joint and several borrowers into a new loan agreement providing for a bilateral secured loan facility of up to \$45,173 with Eurobank as agent to refinance indebtedness of the respective eight vessels owned by the borrowers in relation to the loan agreement dated December 10, 2021. The facility currently bears interest at SOFR plus a margin. Contships Logistics Corp. has provided an on-demand and irrevocable parent guaranty of the facility. The loan is secured by, among other things, eight vessels owned by the borrowers, their insurances, earnings, bank accounts and charter agreements which are longer than 12 months. The borrowers are subject to standard financial and restrictive covenants under the facility, including a vessel security coverage ratio and an average minimum liquidity requirement.

7. Long-term debt (Continued)

The loan facility dated July 13, 2023 fully refinanced the outstanding balance of the Eurobank loan facility dated December 10, 2021, which amounted to \$45,173 on July 13, 2023. The outstanding balance of the new loan facility is repayable in 8 semi-annual installments amounting to \$2,500 plus a balloon installment amounting to \$25,173 payable together with the last installment. Repayment started on December 13, 2023 and matures on June 13, 2027. The refinancing that occurred on July 13, 2023 has been treated as debt modification in accordance with IFRS 9.

The loan amendments with Eurobank that occurred during 2023 have been treated as debt modifications in accordance with IFRS 9 and a net amount of \$464 has been recognized as gain on debt modification for the year ended December 31, 2023, which is included in the accompanying consolidated statement of

comprehensive income or loss under line item "Interest and finance costs". Amortization, including write-offs, of gain on debt modification for the year ended December 31, 2024 amounted to \$204 and is included in the accompanying consolidated statement of comprehensive income or loss under line item "Interest and finance costs".

On November 26, 2024 and December 10, 2024, the amounts of \$4,000 and \$4,090 were repaid upon disposal of M/V Contship Max owned by Ability and M/V Contship Quo owned by Brazil, respectively (Note 4).

Accordingly, following the repayments and the release and discharge of Ability and Brazil from all of their respective obligations under the loan agreement, the outstanding balance of \$32,083 as of December 10, 2024, is repayable in 5 semi-annual installments amounting to \$2,000 each plus a balloon installment amounting to \$20,083 payable together with the last installment. The first repayment installment amounting to \$2,000 was paid on December 13, 2024. Repayment matures on June 13, 2027.

The outstanding balance of the loan facility as of December 31, 2024 amounted to \$30,083.

\$5,000 Facility with Pancrta Bank S.A.

On November 15, 2023, Tarragona entered into a loan agreement providing for a bilateral secured loan facility of up to \$5,000 with Pancrta Bank S.A. ("Pancrta") as lender to refinance part of the acquisition cost of the vessel owned by the borrower. The facility currently bears interest at SOFR plus a margin. Contships Logistics Corp. has provided an on-demand and irrevocable parent guaranty of the facility. The loan is secured by, among other things, the vessel owned by the borrower, its insurances, earnings, bank accounts and charter agreement which is longer than 12 months. The borrower is subject to standard financial and restrictive covenants under the facility, including a vessel security coverage ratio, an average minimum liquidity requirement and corporate guarantor's consolidated net debt to vessels value ratio.

The loan facility is repayable in 12 semi-annual installments amounting to \$500 for installments 1 to 2 and \$250 for installments 3 to 12 plus a balloon installment amounting to \$1,500 payable together with the last installment. Repayment started on May 16, 2024 and matures on November 16, 2029.

On April 12, 2024, Tarragona as borrower and the Company as corporate guarantor entered into a first supplemental agreement with Pancrta, in relation to the loan agreement dated November 15, 2023, where the lender provided its consent to an amendment of the IPO definition included in the original loan agreement.

The outstanding balance of the loan facility as of December 31, 2024 amounted to \$4,000.

\$4,000 New Facility with Pancrta Bank S.A.

On February 23, 2024, Cassano entered into a loan agreement providing for a bilateral secured loan facility of up to \$4,000 with Pancrta as lender to refinance part of the acquisition cost of the vessel owned by the borrower. The facility currently bears interest at SOFR plus a margin. Contships Logistics Corp. has provided an on-demand and irrevocable parent guaranty of the facility. The loan is secured by, among other things, the vessel owned by the borrower, its insurances, earnings, bank accounts and charter agreement which is longer than 12 months. The borrower is subject to standard financial and restrictive covenants under the facility, including a vessel security coverage ratio, an average minimum liquidity requirement and corporate guarantor's consolidated net debt to vessels value ratio.

7. Long-term debt (Continued)

The loan facility is repayable in 12 semi-annual installments amounting to \$180 for installments 1 to 6 and \$220 for installments 7 to 12 plus a balloon installment amounting to \$1,600 payable together with the last installment. Repayment started on August 23, 2024 and matures on February 23, 2030.

The outstanding balance of the loan facility as of December 31, 2024 amounted to \$3,820.

\$4,500 New Facility with Pancreta Bank S.A.

On July 24, 2024, Monza entered into a loan agreement providing for a bilateral secured loan facility of up to \$4,500 with Pancreta as lender to refinance part of the acquisition cost of the vessel owned by the borrower. The facility currently bears interest at SOFR plus a margin. Contships Logistics Corp. has provided an on-demand and irrevocable parent guaranty of the facility. The loan is secured by, among other things, the vessel owned by the borrower, its insurances, earnings, bank accounts and charter agreement which is longer than 12 months. The borrower is subject to standard financial and restrictive covenants under the facility, including a vessel security coverage ratio, an average minimum liquidity requirement and corporate guarantor's consolidated net debt to vessels value ratio.

The loan facility is repayable in 12 semi-annual installments amounting to \$325 for installments 1 to 2 and \$225 for installments 3 to 12 plus a balloon installment amounting to \$1,600 payable together with the last installment. Repayment starts on January 29, 2025 and matures on July 29, 2030.

The outstanding balance of the loan facility as of December 31, 2024 amounted to \$4,500.

With effect from September 3, 2024 Pancreta has merged and been absorbed by Attica Bank S.A. ("Attica"). Therefore, loan agreements entered into between the Group's subsidiaries (Tarragona, Cassano and Monza) and Pancreta before the effective date of the merger, with effect from September 3, 2024 will be administered by Attica.

\$8,000 New Facility with Attica Bank S.A.

On November 11, 2024, Corsica entered into a loan agreement providing for a bilateral secured loan facility of up to \$8,000 with Attica as lender to refinance part of the acquisition cost of the vessel owned by the borrower. The facility currently bears interest at SOFR plus a margin. Contships Logistics Corp. has provided an on-demand and irrevocable parent guaranty of the facility. The loan is secured by, among other things, the vessel owned by the borrower, its insurances, earnings, bank accounts and charter agreement which is longer than 12 months. The borrower is subject to standard financial and restrictive covenants under the facility, including a vessel security coverage ratio, an average minimum liquidity requirement and corporate guarantor's consolidated net debt to vessels value ratio.

The loan facility is repayable in 14 semi-annual installments amounting to \$765 for installments 1 to 4 and \$255 for installments 5 to 14 plus a balloon installment amounting to \$2,390 payable together with the last installment. Repayment starts on May 29, 2025 and matures on November 29, 2031.

The outstanding balance of the loan facility as of December 31, 2024 amounted to \$8,000.

The amendment to the loan agreements regarding the transition to SOFR, falls within the scope of Interest Rate Benchmark Reform – Phase 2, Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 ("Amendments"), which have been published by IASB in August 2020 and were adopted by the Group as of January 1, 2021. In particular, the Group applied the practical expedient available under the Amendments and adjusted the effective interest rate when accounting for changes in the basis for determining the contractual cash flows under facility agreements. No adjustments to the carrying amount of the loans were necessary.

The Group's credit facilities have financial covenants, which require the Group to maintain, on borrowers or

7. Long-term debt (Continued)

Group level, among other things:

- average minimum liquidity on borrowers and/or Group level;
- minimum market value of collateral for each credit facility, such that the aggregate market value of the vessels collateralizing the particular credit facility is between 110% and 125%, depending on the particular facility, of the aggregate principal amount outstanding under such credit facility, or, if we do not meet such threshold, to provide additional security to eliminate the shortfall; and

The agreements governing the Group's indebtedness also contain undertakings limiting or restricting the subsidiaries from, among other things:

- incurring additional indebtedness or issuing certain preferred stock;
- making any substantial change to the general nature of our business;
- paying dividends or repaying or distributing any dividend or share premium reserve in the event of non-compliance with our covenants or without prior written consent of the lenders;
- redeeming or repurchasing capital stock;
- creating or impairing certain securities interests, including liens;
- transferring or selling certain assets;
- entering into certain transactions other than arm's length transactions;
- acquiring a company, shares or securities or a business or undertaking;
- entering into any amalgamation, demerger, merger, consolidation or corporate reconstruction, or selling all or substantially all of our properties or assets;
- experiencing any change in the shareholding position; and
- changing the flag, class or technical or commercial management of the vessel mortgaged under such facility or terminating or materially amending the management agreement relating to such vessel.

Our secured credit facilities are generally secured by, among other things:

- first priority or preferred mortgage over the relevant collateralized vessels;
- first priority or preferred assignment of earnings and insurances from the mortgaged vessels;
- pledge of the earnings account of the mortgaged vessel; and
- corporate guarantees.

As of December 31, 2024 and 2023 the Group was in compliance with its debt covenants.

Contships Logistics Corp.
Notes to the consolidated financial statements
For the years ended December 31, 2024 and 2023
(All amounts in thousands of U.S. Dollars, except share and per share)

7. Long-term debt (Continued)

Loans repayment schedule

As of December 31, 2024, the annual principal payments falling due in the following years, are as follows:

Falling Due	Amount
2025	42,156
2026	41,335
2027	69,844
2028	11,000
2029	3,400
Overs 5 years	7,280
Total	175,015

The Group has incurred interest expense of \$16,607 and \$22,399 for the years ended December 31, 2024 and 2023, respectively (Note 9). The weighted average interest rate for the Group's long-term debt for the years ended December 31, 2024 and 2023 was 7.86% and 7.92%, respectively.

All the Group's loan facilities are at variable interest rates and, therefore, their book values approximate their fair values.

8. Vessels' operating expenses

The amounts in the consolidated statement of comprehensive income or loss are analyzed as follows:

	2024	2023
Crew wages and related costs	44,858	44,483
Insurances	7,441	6,943
Maintenance, repairs, spares and stores	28,381	26,729
Lubricants	4,036	4,567
Tonnage taxes	84	135
Miscellaneous	1,640	1,381
Total	86,440	84,238

9. Interest and finance costs

Total interest expense and finance charges are analysed as follows:

	2024	2023
Interest expense	16,607	22,399
Loan arrangement fees amortization	841	608
Amortization of gain on debt modification	933	-
Gain on debt modification, net	-	(2,318)
Bank costs	165	171
Other finance costs	85	145
Total	18,631	21,005

10. General and administrative expenses

General and administrative expenses for the years ended December 31, 2024 and 2023 amounted to \$497 and \$587, respectively, including audit fees and other various general and administrative expenses.

11. Income taxes

Under the laws of the jurisdictions where the companies of the Group are incorporated, they are exempted from income tax deriving from international shipping operations. The Company is subject to registration fees and each of its subsidiaries are subject to registration and tonnage taxes, which amount to \$84 and \$135 for the years ended December 31, 2024 and 2023, respectively, and are included in the accompanying consolidated statements of comprehensive income or loss under line item "Vessels' operating expenses".

12. Commitments and contingencies

Various claims, lawsuits and complaints such as those involving government regulations and product liability, arise in the ordinary course of the shipping business. In addition, losses may arise from disputes with charterers, agents, insurance and other claims with suppliers relating to the activity of the vessels. There are no material legal proceedings to which the Group is a party or which involve any of its properties as of December 31, 2024 and as of December 31, 2023.

As of December 31, 2024 and 2023, none of the Group's subsidiaries were parties to a contract to acquire a vessel.

Future minimum charter revenue

As of December 31, 2024, the future minimum contracted charter (lease) revenue, net of address commissions, before brokerage commissions expected to be recognized on non-cancellable time charters by the Group's 41 vessels, excluding the effect of one vessel which was classified as held for sale as of that date, is presented in the table below. This amount does not assume any exercise of optional extension periods which are at the charterers' option.

Year	Amount
2025	74,320
2026	3,692
Total	78,012

13. Financial risk management

The Group's principal financial instruments are bank loans (Note 7), the main purpose of which was to finance the Group's vessels acquisition cost. Other financial instruments of the Group include cash and cash equivalents, trade receivables, prepaid expenses, claims receivable and trade payables, which arise directly from the operation of its vessels.

The main risks arising from the Group's financial instruments are interest rate risk and credit risk. The majority of the Group's transactions are denominated in US Dollars, therefore, its exposure to foreign currency risk is minimal.

13. Financial risk management (Continued)

Interest rate risk

Cash flow interest rate risk arises primarily from the possibility that changes in interest rates will affect the future cash outflows from the Group's long-term debt and interest income from the Group's financial assets. The sensitivity analysis presented in the tables below demonstrates the sensitivity to a reasonably possible change in interest rates (SOFR), with all other variables held constant, on the Group's results for the years ended December 31, 2024 and 2023. The sensitivity analysis has been prepared assuming a rise or fall in interest rates, which will impact interest expense on floating rate borrowings.

Year ended December 31, 2024

Increase/decrease (%)	Effect on profit
+1.5%	(3,221)
-1.5%	3,221

Year ended December 31, 2023

Increase/decrease (%)	Effect on profit
+1.5%	(4,300)
-1.5%	4,300

Credit risk

The Group's maximum exposure to credit risk in the event the counterparties fail to perform their obligations as of December 31, 2024 and 2023, in relation to each class of recognized financial assets, is the carrying amount of those assets as indicated in the statements of financial position.

Financial instruments, which potentially subject the Group to significant concentrations of credit risk, consist primarily of cash and cash equivalents and trade accounts receivable. The Group places its cash and cash equivalents, consisting mostly of deposits, with financial institutions. The Group performs annual evaluations of the relative credit standing of those financial institutions. Credit risk with respect to trade accounts receivable is generally managed by the chartering of vessels to major container lines (including regional lines) rather than to more speculative or undercapitalized entities.

The Group has operating revenue exposure from four significant customers for the year ended December 31, 2024 which constitute 26% (CMA CGM), 15% (COSCO), 14% (MSC) and 12% (ZISS) of total revenues and four significant customers for the year ended December 31, 2023 which constitute 29% (CMA CGM), 25% (ZISS), 13% (COSCO) and 12% (MSC) of total revenues.

Fair values

The carrying values of financial assets reflected in the accompanying consolidated statements of financial position as of December 31, 2024 and 2023, approximate their respective fair values due to the short-term nature of these financial instruments. The fair value of long-term bank loans with variable interest rates approximates the recorded values, generally due to their variable interest rates. There have been no transfers between Level 1 and Level 2 during the periods.

Foreign currency risk

The majority of the Group's transactions are denominated in US Dollars, therefore, its exposure to foreign currency risk from operations is minimal.

Contships Logistics Corp.
Notes to the consolidated financial statements
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(All amounts in thousands of U.S. Dollars, except share and per share)

13. Financial risk management (Continued)

Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value. The Group monitors capital using a gearing ratio, which is total debt divided by total assets.

	2024	2023
Non-current assets	502,825	489,303
Current assets	55,034	46,996
Total assets	557,859	536,299
Interest bearing loans & borrowings	173,625	232,055
Trade accounts payable, other payables and accruals and deferred revenue	32,181	27,846
Total debt	205,806	259,901
Debt to assets ratio	36.9%	48.5%

Liquidity risk

The tables below summarize the maturity profile of the Group's financial liabilities as of December 31, 2024 and December 31, 2023 based on contractual undiscounted payments:

31-Dec-24	<3 months	3-12 months	1-2 years	2-5 years	>5 years	Total
Debt service*	12,624	41,491	47,961	89,223	7,678	198,977
Trade accounts payable	-	16,101	-	-	-	16,101
Other payables and accruals	-	12,834	-	-	-	12,834
	<u>12,624</u>	<u>70,426</u>	<u>47,961</u>	<u>89,223</u>	<u>7,678</u>	<u>227,912</u>
31-Dec-23	<3 months	3-12 months	1-2 years	2-5 years	>5 years	Total
Debt service*	16,118	52,964	51,020	156,530	2,115	278,747
Trade accounts payable	-	17,392	-	-	-	17,392
Other payables and accruals	-	6,739	-	-	-	6,739
	<u>16,118</u>	<u>77,095</u>	<u>51,020</u>	<u>156,530</u>	<u>2,115</u>	<u>302,878</u>

(*) Debt service includes contractual obligation in relation to principal and interest as of December 31, 2024 and December 31, 2023. The amount of interest for each of the periods presented above in aggregate amounts to \$23,962 and \$44,101, respectively.

14. Events after the reporting period

On January 3, 2025, the Group through its subsidiary Syracuse entered into a memorandum of agreement to sell M/V Contship Leo to an unaffiliated entity. On February 11, 2025 M/V Contship Leo was delivered to its new owner.

On January 7, 2025, Ikaria, Woodstone, Albacore, Bianca, Brusa, Legacy, Frankyl and Lazio as joint and several borrowers and the Company as corporate guarantor entered into a fourth supplemental agreement with Alpha Bank, in relation to the loan agreement dated December 23, 2021, for the discharge of the first preferred Cypriot mortgage registered over M/V Contship Era, its registration under the Liberian flag and the provision of a first preferred Liberian mortgage registered over the vessel.

On January 8, 2025, the Group through its subsidiary Marbella entered into a memorandum of agreement to sell M/V Contship Med to an unaffiliated entity. On April 2, 2025 M/V Contship Med was delivered to its new owner.

On January 24, 2025, M/V Contship Air was delivered to its new owners. On January 23, 2025, an amount of \$2,930 was repaid to NBG in relation to the disposal of M/V Contship Air owned by Verona (Note 4).

On February 5, 2025, the Group obtained approval from Alpha Bank, in relation to the loan agreement dated October 25, 2022, for the following amendments to be performed: i) margin reduction from 2.65% to 2.00% with retrospective effect from February 25, 2025, and ii) introduction of a cash collateral provision at 0.50%. Documentation is currently in the process of finalization.

On February 5, 2025, the Group obtained approval from Alpha Bank, in relation to the loan agreement dated April 10, 2023, for the following amendments to be performed: i) margin reduction from 2.50% to 2.00% with retrospective effect from February 25, 2025, and ii) introduction of a cash collateral provision at 0.50%. Documentation is currently in the process of finalization.

On February 11, 2025, the Group completed the issuance of a senior unsecured sustainability-linked bond of \$100,000 in Norway. Bond proceeds will be utilized towards general corporate purposes, including acquisition of maritime assets and refinancing of existing financial indebtedness.

On February 11, 2025, the Group obtained approval from Eurobank, in relation to the loan agreement dated October 27, 2022, for the following amendments to be performed: i) margin reduction from 2.75% to 2.00%, and ii) introduction of a cash collateral provision at 0.60%. Documentation is currently in the process of finalization.

On February 19, 2025, the Group obtained approval from Attica (formerly known as Pancrreta), in relation to the Cassano, Monza and Corsica loan agreements, for the following amendments to be performed to each facility: i) margin reduction to 2.20%, and ii) introduction of a cash collateral provision at 0.50%. Documentation is currently in the process of finalization.

On February 21, 2025, the Company declared a dividend payable to its shareholders in the total amount of \$12,502 in order to distribute part of its accumulated profits. The dividend was paid on February 24, 2025.

On March 21, 2025, five of the Group's newly incorporated subsidiaries Sea Brilliance Inc., Sea Champion S.A., Sea Excellence Ltd., Sea Merit Ltd. and Sea Victorious S.A., entered into memoranda of agreement with unaffiliated entities to acquire the M/V AS Anita, M/V AS Alexandria, M/V AS Filippa, M/V AS Floriana and M/V AS Fabrizia (to be renamed "Contship Pep II", "Contship Ana II", "Contship Rex II", "Contship Eve II" and "Contship Max II"), respectively, which are expected to be delivered between April 2025 and June 2025, for an aggregate purchase price of \$72,000.

14. Events after the reporting period (Continued)

On March 13, 2025, Alicante, Ancona, Asher, Bari, Cyrus, Genoa, Marbella, Mizuna, Palermo, Parnell, Sevilla, Siena and Umbria as joint and several borrowers and the Company as corporate guarantor entered into a fifth supplemental agreement with Piraeus Bank, in relation to the loan agreement dated December 6, 2021, where the following were agreed: i) margin reduction from 2.50% to 1.95% with retrospective effect from March 10, 2025, ii) extension of the maturity date to June 8, 2028 for Tranche A and December 8, 2027 for Tranche B, and iii) introduction of a cash collateral provision at 0.50%.

On March 31, 2025, Ikaria, Woodstone, Albacore, Bianca, Brusa, Legacy, Frankyl and Lazio as joint and several borrowers and the Company as corporate guarantor entered into a fifth supplemental agreement with Alpha Bank, in relation to the loan agreement dated December 23, 2021, where the following were agreed: i) margin reduction from 2.80% to 2.00% with retrospective effect from February 25, 2025, ii) extension of the maturity date to July 5, 2028, and iii) introduction of a cash collateral provision at 0.50%.

On April 4, 2025, the Group through its subsidiary Albacore entered into a memorandum of agreement to sell M/V Contship Win to an unaffiliated entity. Delivery of M/V Contship Win to its new owner is expected to be completed in May 2025.

On April 10, 2025, Symphony, Eco, Amberjack, Sky Liberty, Santiago, and Antico as joint and several borrowers and the Company as corporate guarantor entered into a first supplemental agreement with Eurobank, in relation to the loan agreement dated July 13, 2023, where the following were agreed: i) margin reduction from 2.75% to 2.00% with effect from March 13, 2025, ii) extension of the maturity date to December 13, 2028, and iii) cash collateral margin reduction from 1.00% to 0.60%.

On April 10, 2025, Tarragona as borrower and the Company as corporate guarantor entered into a second supplemental agreement with Attica, in relation to the loan agreement dated November 15, 2023, where the following were agreed: i) margin reduction from 2.45% to 2.20%, and ii) introduction of a cash collateral provision at 0.50%.