

SECURITIES AND EXCHANGE COMMISSION

FORM 6-K

Current report of foreign issuer pursuant to Rules 13a-16 and 15d-16 Amendments

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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 6-K

**REPORT OF FOREIGN PRIVATE ISSUER
PURSUANT TO RULE 13A-16 OR 15D-16 OF
THE SECURITIES EXCHANGE ACT OF 1934**

For the month of September 2020

Commission File Number: 001-38802

CASTOR MARITIME INC.

(Translation of registrant's name into English)

223 Christodoulou Chatzipavlou Street, Hawaii Royal Gardens, 3036 Limassol, Cyprus
(Address of principal executive office)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Note: Regulation S-T Rule 101(b) (1) only permits the submission in paper of a Form 6-K if submitted solely to provide an attached annual report to security holders.

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

Note: Regulation S-T Rule 101(b)(7) only permits the submission in paper of a Form 6-K if submitted to furnish a report or other document that the registrant foreign private issuer must furnish and make public under the laws of the jurisdiction in which the registrant is incorporated, domiciled or legally organized (the registrant's "home country"), or under the rules of the home country exchange on which the registrant's securities are traded, as long as the report or other document is not a press release, is not required to be and has not been distributed to the registrant's security holders, and, if discussing a material event, has already been the subject of a Form 6-K submission or other Commission filing on EDGAR.

INFORMATION CONTAINED IN THIS FORM 6-K REPORT

Attached to this report on Form 6-K as [Exhibit 99.1](#) are the unaudited consolidated interim financial statements and related Management's Discussion and Analysis of Financial Condition and Results of Operations of Castor Maritime Inc. (the "Company") for the six months ended June 30, 2020.

Attached to this report on Form 6-K as [Exhibit 99.2](#) is a copy of the press release issued by the Company on September 11, 2020, reporting the Company's financial results for the three months and six months ended June 30, 2020.

On September 1, 2020, the Company and its shipowning subsidiaries entered into a master management agreement with Castor Ships S.A. (the "Master Management Agreement"). Attached to this report on Form 6-K as [Exhibit 99.3](#) is a copy of the Master Management Agreement.

Except for the commentary of Petros Panagiotidis, the information contained in this report on Form 6-K and the exhibits attached hereto are hereby incorporated by reference into the Company's registration statement on Form F-3 (File No. 333-232052) that was declared effective on June 21, 2019.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

CASTOR MARITIME INC.

Dated: September 11, 2020

By: /s/ Petros Panagiotidis
Petros Panagiotidis
Chairman, Chief Executive Officer and
Chief Financial Officer

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

The following is a discussion of the financial condition and results of operations of Castor Maritime Inc. ("Castor") for the six-month periods ended June 30, 2020 and 2019, the comparative financial information being presented on the basis of a revised six-month period following the Company's decision to change its fiscal year end from September 30 to December 31. Unless otherwise specified herein, references to the "Company", "we", "our" and "us" or similar terms shall include Castor and its wholly owned subsidiaries. You should read the following discussion and analysis together with the unaudited interim condensed consolidated financial statements and related notes included elsewhere in this report. Amounts relating to percentage variations in period-on-period comparisons shown in this section are derived from such unaudited interim condensed consolidated financial statements. The following discussion contains forward-looking statements that reflect our future plans, estimates, beliefs and expected performance. The forward-looking statements are dependent upon events, risks and uncertainties that may be outside our control which could cause actual events or conditions to differ materially from those currently anticipated and expressed or implied by such forward-looking statements. For additional information relating to our management's discussion and analysis of financial conditions and results of operations and a more complete discussion of the risks and uncertainties referenced in the preceding sentence, please see our Annual Report for the year ended December 31, 2019 (the "2019 Annual Report"), which was filed with the U.S. Securities and Exchange Commission (the "SEC") on March 31, 2020. Unless otherwise defined herein, capitalized words and expressions used herein shall have the same meanings ascribed to them in the 2019 Annual Report.

Business Overview and Fleet Information

We are a growth-oriented global shipping company that was incorporated in the Republic of the Marshall Islands in September 2017 for the purpose of acquiring, owning, chartering and operating dry bulk vessels. Currently, we are a provider of worldwide seaborne transportation services for dry bulk cargo, including, among others, iron ore, coal and grain, collectively referred to as "major bulks," and steel products, fertilizers, cement, bauxite, sugar and scrap metal, collectively referred to as "minor bulks". Our common shares currently trade on the Nasdaq Capital Market, or Nasdaq, under the symbol "CTRM" and on the Norwegian OTC, or the NOTC, under the symbol "CASTOR".

As of the date of this report, we own a fleet which consists of four dry bulk carriers with an average age of 16.0 years and have a carrying capacity of 301,959 dead weight tons (dwt), which we refer to collectively as our "Fleet". On August 8, 2020, pursuant to an agreement entered into on June 30, 2020, we took delivery of the fourth vessel in our Fleet, a 2007 Chinese-built Panamax dry bulk carrier, or the *M/V Magic Rainbow*. On July 28, 2020, we, through a separate wholly-owned subsidiary, entered into an agreement to purchase a 2010 Japanese built Panamax dry bulk carrier which we expect to take delivery of either at the end of the third quarter or the beginning of the fourth quarter of 2020, subject to the satisfaction of certain customary closing conditions. Our commercial strategy primarily focuses on deploying our Fleet under a mix of period time charters and trip time charters according to our assessment of market conditions, adjusting the mix of these charters to take advantage of the relatively stable cash flows and high utilization rates associated with period time charters or to profit from attractive spot charter rates during periods of strong charter market conditions.

During the six-month period ended June 30, 2020 and up to August 31, 2020, our Fleet was managed by Pavimar S.A. ("Pavimar"), under the supervision of our Chief Executive Officer and our Board of Directors. Pavimar is controlled by the sister of our Chairman, Chief Executive Officer and Chief Financial Officer. Pavimar has in-house ship management expertise that allows it to provide and oversee every step of our Fleet's management, including, but not limited to, the shipping operations throughout the life of the vessels, the superintendence of maintenance, repairs and dry-docking, insurance arrangements, provisioning, bunkering and various aspects of administrative support. Effective September 1, 2020, our Fleet is co-managed by Pavimar and Castor Ships S.A. ("Castor Ships" and, together, the "Managers"). For further information, see Recent Developments, below.

The following table summarizes key information about our Fleet as of the date of this report:

Vessel Name	Year Built	Cargo Capacity (dwt)	Vessel Type	Date delivered to Castor
<i>Magic P</i>	2004	76,453	Panamax	February 2017
<i>Magic Sun</i>	2001	75,311	Panamax	September 2019
<i>Magic Moon</i>	2005	76,602	Panamax	October 2019
<i>Magic Rainbow</i>	2007	73,593	Panamax	August 2020

We believe that we are well regarded by our charterers for our expertise and safety in conducting our operations, the good performance of our vessels and the first class cargo holds. We intend to leverage our expertise and relationships with our charterers and our Manager in growing our core business and pursuing further business and growth opportunities in the dry-bulk sector. As opportunities arise, we may acquire additional vessels and/or engage in investment opportunities incidental to the dry-bulk industry. We may fund possible growth plans through the use of cash on hand, cash from operations, debt financing which might also include capital lease financings, or equity offerings of our securities in the public or private markets. These transactions will be principally subject to management's expectation of future market conditions as well as our ability to acquire dry bulk carriers on favorable terms or at all, thus, we cannot assure you that we will grow the size of our Fleet or that we will be able to execute our plans for growth.

Recent Developments

Nasdaq Minimum Bid Price Notice

On April 14, 2020, we received written notification from the Nasdaq Stock Market that we were not in compliance with the minimum \$1.00 per share bid price requirement for continued listing on the Nasdaq and were initially provided with 180 calendar days, or until October 12, 2020, to regain compliance with the subject requirement. On April 20, 2020, the Nasdaq Stock Market informed us that due to the COVID-19 crisis, temporary relief has been granted related to minimum listing bid price requirements and our compliance period will be suspended until June 30, 2020, thus extending the period to regain compliance to December 28, 2020. We intend to monitor the closing bid price of our common stock during the compliance period and are considering our options to regain compliance with the Nasdaq minimum bid price requirement. This deficiency can be automatically cured, if the closing bid price of our common stock is \$1.00 per share or higher for at least ten consecutive business days during the grace period.

Equity Transactions

On June 23, 2020, we entered into an agreement with Maxim Group, LLC, or Maxim, acting as underwriter pursuant to which we offered 59,110,000 units, each unit consisting of (i) one common share, par value \$0.001 per share (a "Common Share") or a pre-funded warrant to purchase one Common Share at an exercise price equal to \$0.01 per Common Share (a "Pre-Funded Warrant"), and (ii) one Class A Warrant to purchase one Common Share (a "Class A Warrant"), for \$0.35 per unit (or \$0.34 per unit including a pre-funded warrant), or the Underwritten Public Offering. The Underwritten Public Offering, which closed on June 26, 2020, resulted in the issuance of 44,410,000 Common Shares and 14,700,000 Pre-Funded Warrants which were exercised and resulted in the issuance of 14,672,686 common shares, for which we have received gross proceeds amounting to \$20.7 million.

On July 12, 2020, we entered into a securities purchase agreement with certain unaffiliated institutional investors (the "Securities Purchase Agreement") for the issuance of an aggregate of 57,750,000 of our common shares in a registered direct offering, or the Registered Offering. Concurrently with the Registered Offering and pursuant to the Securities Purchase Agreement, we also concluded a private placement whereby we issued and sold warrants to purchase up to 57,750,000 of our common shares, or the Private Placement Warrants. Maxim served as the placement agent for the Registered Offering and the private placement pursuant to a placement agency agreement between Maxim and us. The Registered Offering, which closed on July 15, 2020, resulted in the issuance of 57,750,000 common shares and to an equivalent number of Private Placement Warrants for which we have received gross proceeds amounting to \$17.3 million.

Vessel Acquisitions

On June 30, 2020, we entered into an agreement to purchase a 2007 Chinese-built Panamax dry bulk carrier, the *M/V Magic Rainbow*, for a purchase price of \$7.85 million from an unaffiliated third-party seller. We took delivery of the *M/V Magic Rainbow* on August 8, 2020. On August 12, 2020, the *M/V Magic Rainbow* commenced employment under a charter party contract with Oldendorff Carriers GMBH & Co KG. The charter has a daily gross hire rate of \$10,300 and an expected term of a minimum of three months and up to a maximum of five months.

On July 28, 2020, we entered into an agreement to purchase a 2010 Japanese-built Panamax dry bulk carrier, to be named *M/V Magic Horizon*, for a purchase price of \$12.75 million from an unaffiliated third party seller. The acquisition is expected to be consummated by taking delivery of the vessel either at the end of the third quarter or the beginning of the fourth quarter of 2020.

COVID-19 Update

The COVID-19 pandemic has had and continues to have a significant negative impact on the global economy and the demand for shipping regionally as well as globally.

We believe the COVID-19 pandemic has resulted in lower dry bulk rates since March 2020 than those that could have been achieved in the absence of the virus, given the lower demand for some of the cargoes that we and our peers carry. As a result of this disruption, global economies have grounded to a halt which consequently adversely affected the derived demand for shipping transportation. As a result, two of our vessels which came up for charter renewal in the first and second quarters of 2020 were employed at comparably less favorable charter rates than those achieved during 2019 and those expected before the COVID-19 pandemic. However, from June 2020 onwards, we have seen a rebound in charter rates for the asset class we own and operate and we have been able to re-charter vessels that were open for renewal at improved charter rates compared to those prevailing in the first quarter of 2020 and up to May 2020.

Our crews are also adversely affected by the COVID-19 pandemic. Due to quarantine restrictions placed on embarking and disembarking crew members as well as additional procedures required when using commercial aviation and other forms of public transportation, our crews have had difficulty embarking and disembarking on our ships. Although the restrictions have, in certain cases, delayed crew embarking and disembarking on our ships, they have not materially affected our ability to crew out our vessels. Despite the fact that our ability to crew out our vessels may present operational risks that we cannot predict, we continue to monitor the situation with utmost care for the health and safety of our crew, while maximizing our efforts to ensure uninterrupted operations for our customers.

Given the uncertain nature of the socioeconomic and political circumstances arising from the COVID-19 pandemic, the duration of any business disruptions as well as any related financial impact cannot be further assessed at this point in time, but could further affect, at a lesser or more significant extent, our business, results of operations and financial condition.

New Management Agreements with Castor Ships

As of September 1, 2020, we and our shipowning subsidiaries entered into a master management agreement (the “Master Agreement”) with Castor Ships S.A. (“Castor Ships”), a company ultimately beneficially owned by our Chairman, Chief Executive Officer and Chief Financial Officer. Pursuant to the terms of the Master Agreement, each of our shipowning subsidiaries also entered into separate commercial shipmanagement agreements with Castor Ships (the “Commercial Shipmanagement Agreements”) and together with the Master Agreement, the “Castor Ships Management Agreements”). Under the terms of the Castor Ships Management Agreements, having all September 1, 2020 as their effective date, Castor Ships manages overall our business and provides us with commercial, chartering and administrative services, including, but not limited to, securing employment for our fleet, arranging and supervising the vessels’ commercial operations, handling all our vessel sale and purchase transactions, undertaking related shipping project and management advisory and support services, as well as other associated services requested from time to time by us and our shipowning subsidiaries. In exchange for these services, we and our subsidiaries will pay Castor Ships (i) a flat quarterly management fee in the amount of \$0.3 million for the management and administration of our business, (ii) a daily fee of \$250 per vessel for the provision of the services under the Commercial Shipmanagement Agreements, (iii) a commission rate of 1.25% on all charter agreements arranged by Castor Ships and (iv) a commission of 1% per transaction in connection with any sale or purchase of vessels for us.

The Castor Ships Management Agreements have a term of five years and such term automatically renews for successive five-year terms on each anniversary of the effective date, unless the agreements are terminated earlier in accordance with the provisions contained therein. In the event that the Castor Ships Management Agreements are terminated by us, or are terminated by Castor Ships due to a material breach of the Master Agreement by us or a change of control in the Company, Castor Ships shall be entitled to a termination fee equal to four times the total amount of the flat management fee and the per vessel management fees calculated on an annual basis.

Revised Management Agreements with Pavimar

On September 1, 2020, our shipowning subsidiaries entered into revised shipmanagement agreements with Pavimar which replaced the existing shipmanagement agreements in their entirety (the “Technical Shipmanagement Agreements”). Pursuant to the Technical Shipmanagement Agreements, effective September 1, 2020, Pavimar will continue to provide the range of technical, crewing, insurance and operational services stipulated in the previous agreements in exchange for which Pavimar will be paid a daily fee of \$600 per vessel, versus the previous daily fee of \$500 per vessel. The Pavimar Shipmanagement Agreements also provide for an automatically renewable five-year term and related termination provisions.

Operating results

Factors Affecting Our Results of Operations

We believe that important concepts and measures for analyzing trends in our results of operations include the following:

Ownership days. Ownership days are the total number of calendar days in a period during which we owned our vessels. Ownership days are an indicator of the size of our Fleet over a period and determine both the level of revenues and expenses recorded during that specific period.

Available days. Available days for the Fleet are the Ownership days after subtracting off-hire days associated with major repairs, vessel upgrades, dry dockings or special or intermediate surveys and major unscheduled repair and off-hire days. Available days include ballast voyage days for which compensation has been received, if any. The shipping industry uses Available days to measure the aggregate number of days in a period during which vessels are available to generate revenues.

Fleet utilization. We calculate Fleet utilization by dividing the Available days during a period (which include ballast voyage days for which compensation has been received) by the number of Ownership days during that period. Fleet utilization is used to measure a company’s ability to efficiently find suitable employment for its vessels and minimize the number of days that its vessels are off-hire for reasons such as major repairs, vessel upgrades, dry-dockings or special or intermediate surveys and other unforeseen events.

Off-hire. The period our Fleet is unable to perform the services for which it is required under a charter for reasons such as scheduled repairs, vessel upgrades, dry-dockings or special or intermediate surveys or other unforeseen events.

Dry-docking. We periodically dry-dock our Fleet for inspection, repairs and maintenance and any modifications to comply with industry certification or governmental requirements. Our ability to control our dry-docking expenses and our ability to complete our scheduled dry-dockings on time also affects our financial results.

Daily vessel operating expenses. The level of our vessels’ operating expenses, including crewing costs, insurance and maintenance costs. Our ability to control our vessels’ operating expenses also affects our financial results. These expenses include crew wages and related costs, the cost of insurance, expenses for repairs and maintenance, the cost of spares and consumable stores, lubricating oil costs, tonnage taxes and other miscellaneous expenses. Daily vessel operating expenses are calculated by dividing Fleet operating expenses by the Ownership days for the relevant period.

Daily company administration expenses. Daily company administration expenses include administration expenses such as audit fees, executive officer compensation and other miscellaneous expenses and are calculated by dividing company administration expenses by the Ownership days for the relevant period.

Daily management fees. Daily management fees are calculated by dividing management fees by the Ownership days for the relevant time period and represent the fees payable to our Manager for managing our Fleet.

Time charter. A time charter is a contract for the use of a vessel for a specific period of time during which the charterer pays substantially all of the voyage expenses, including port charges, bunker expenses and canal charges. The vessel owner pays the vessel operating expenses, which include crew costs, provisions, deck and engine stores and spares, lubricants, insurance, maintenance and repairs. The vessel owner is also responsible for each vessel's dry-docking and intermediate and special survey costs. Time charter rates are usually fixed during the term of the charter. Prevailing time charter rates do fluctuate on a seasonal and year-to-year basis and may be substantially higher or lower from a prior time charter agreement when the subject vessel is seeking to renew the time charter agreement with the existing charterer or enter into a new time charter agreement with another charterer. Fluctuations in time charter rates are influenced by changes in spot charter rates.

Time charter equivalent ("TCE") Rate. Our method of calculating TCE rate is determined by dividing revenues (either time charter or voyage revenues, net of voyage expenses) by the Available days in the relevant period. See below a more detailed discussion on our use of this Non-GAAP measure.

Our results of operations are affected by numerous factors. The principal factors that have impacted the business during the fiscal periods presented in the following discussion and analysis and that are likely to continue to impact our business are the following:

- The levels of demand and supply in the dry bulk shipping industry;
- Utilization rates of our Fleet;
- The employment and operation of our Fleet;
- Management of the financial, general and administrative elements involved in the conduct of our business and ownership of our Fleet;
- The performance of our charterers' obligations under their charter agreements;
- Our ability to maintain solid working relationships with our existing charterers and our ability to increase the number of our charterers through the development of new working relationships;
- The effective and efficient technical management of our Fleet by our Manager;
- Economic, regulatory, political and governmental conditions that affect shipping and the dry-bulk industry;
- Dry-docking and special survey days, both expected and unexpected;
- Our ability to successfully employ our vessels at economically attractive rates and our strategic decisions regarding the employment mix of our Fleet in the voyage and time charter markets, as our charters expire or are otherwise terminated;
- Performance of our counterparties, which are limited in number, including our charterers ability to make charter payments to us;
- Our ability to obtain acceptable equity and debt financing to fund future capital expenditures;
- Our access to capital required to acquire additional ships and/or to implement our business strategy;
- The level of any distribution on all classes of our shares;
- Our borrowing levels and the finance costs related to our outstanding debt; and
- Major outbreaks of diseases (such as COVID-19) and governmental responses thereto.

Employment and operation of our Fleet

A factor that impacts our profitability is the employment and operation of our Fleet. The profitable employment of our Fleet is highly dependent on the levels of demand and supply in the dry bulk shipping industry, our commercial strategy including the decisions regarding the employment mix of our Fleet and our as well as our Manager's ability to leverage our relationships with existing or potential customers. The effective operation of our Fleet mainly requires regular maintenance and repair, effective crew selection and training, ongoing supply of our Fleet with the spares and the stores that it requires, contingency response planning, auditing of our vessels' onboard safety procedures, arrangements for our vessels' insurance, chartering of the vessels, training of onboard and on shore personnel with respect to the vessels' security and security response plans (ISPS), obtaining of ISM certifications and performing the necessary audit for the vessels within the six months of taking over a vessel and the ongoing performance monitoring of the vessels.

Financial, general and administrative management

The management of financial, general and administrative elements involved in the conduct of our business and ownership of our Fleet, requires us to manage our financial resources, including banking relationships, such as administration of bank accounts; manage the accounting system and records and financial reporting; monitor and ensure compliance with the legal and regulatory requirements affecting our business and assets; and manage our relationships with our service providers and customers.

Selected financial information

The following tables present our selected unaudited consolidated financial information at the dates and for the periods presented. All amounts are expressed in United States Dollars except for share and per share data. This information was derived from the unaudited interim condensed consolidated statements for the periods presented included herein.

Selected Historical Financial Data	Six Months Ended	
	June 30,	
STATEMENT OF INCOME		
<i>(In U.S. Dollars, except for shares and per share data)</i>		
Time charter revenues, net of charterers' commissions	\$ 1,880,723	\$ 5,310,936
Voyage expenses (including related party commissions)	(57,949)	(259,600)
Vessel operating expenses	(874,260)	(2,604,336)
Depreciation and amortization	(345,705)	(694,372)
Management fees - related party	(57,920)	(273,000)
General and administrative expenses		
- Company administration expenses	(113,420)	(237,636)
- Public registration costs	(132,091)	—
Operating income	\$ 299,378	\$ 1,241,992
Interest and finance costs, net (including related party interest costs)	19,862	(1,633,736)
Other expenses	(2,668)	(12,724)
Net Income / (loss)	\$ 316,572	\$ (404,468)
LOSS PER SHARE (basic and diluted):		
Loss per share	\$ (0.56)	\$ (0.05)
Weighted average number of shares outstanding (basic and diluted):		
Common shares	2,400,000	8,027,649

	December 31, 2019	June 30, 2020
BALANCE SHEET DATA		
Total current assets	\$ 6,220,897	\$ 32,773,742
Vessels, net	23,700,029	23,523,913
Other non-current assets	500,000	1,231,074
Total assets	\$ 30,420,926	\$ 57,528,729
Total current liabilities	2,982,750	8,398,753
Long-term debt, net (including current portion, excluding related party)	10,757,060	14,228,220
Long-term debt, related party	5,000,000	5,000,000
Common stock	3,318	70,443
Total shareholders' equity	\$ 13,204,011	\$ 36,992,818
Shares issued and outstanding	3,318,112	70,442,876

	Six Months Ended June 30,	
	2019	2020
CASH FLOW DATA		
Net cash provided by / (used in) operating activities	\$ 738,963	\$ (390,619)
Net cash used in investing activities	—	(388,635)
Net cash (used in) / provided by financing activities	\$ (40,250)	\$ 26,974,956

Set forth below are selected operational and financial statistical data of our Fleet for each of the six month periods ended June 30, 2019 and 2020 that we believe are useful in better analyzing trends in our results of operations:

Selected Historical Operational and Other Financial Data	Six Months Ended June 30,	
	2019	2020
FLEET PERFORMANCE DATA:		
Average number of vessels in operation in period (1)	1.0	3.0
Age of vessels in operation at end of period	14.6	16.6
Ownership days	181	546
Available days	181	487
Fleet utilization	100%	89%
OTHER FINANCIAL DATA (In U.S. Dollars)		
Daily vessel operating expenses	\$ 4,830	\$ 4,770
Daily management fees	320	500
Daily company administration expenses	627	435
Daily Time Charter Equivalent (TCE) Rate (in U.S. Dollars) (2)	10,071	10,372
EBITDA (2)	\$ 642,415	\$ 1,923,640

(1) Represents the number of vessels that constituted our Fleet for the relevant period, as measured by the sum of the number of days each vessel was a part of our Fleet during the period divided by the number of calendar days in the period.

(2) Non-GAAP Financial Information

Daily Time Charter Equivalent (TCE) Rate. TCE rate, is a measure of the average daily revenue performance of a vessel. For time charters, the TCE rate is calculated by dividing total revenues (either time charter or voyage revenues), less any voyage expenses, by the number of Available days during that period. Under a time charter, the charterer pays substantially all vessel voyage related expenses. However, we may incur voyage related expenses when positioning or repositioning vessels before or after the period of a time charter, during periods of commercial waiting time or while off-hire during dry-docking or due to other unforeseen circumstances. The TCE rate is not a measure of financial performance under U.S. GAAP (non-GAAP measure), and should not be considered as an alternative to voyage revenues, the most directly comparable GAAP measure, or any other measure of financial performance presented in accordance with U.S. GAAP. However, TCE rate is standard shipping industry performance measure used primarily to compare period-to-period changes in a company's performance and, management believes that the TCE rate provides meaningful information to our investors since it compares daily net earnings generated by our vessels irrespective of the mix of charter types (i.e., time charters trips, period time charters and voyage charters) under which our vessels are employed between the periods while it further assists our management in making decisions regarding the deployment and use of our vessels and in evaluating our financial performance. Our calculation of TCE rates may not be comparable to that reported by other companies. The following table reflects the calculation of our TCE rates for the periods presented (amounts in U.S. dollars, except for Available days):

	Six Months Ended	
	June 30,	
	2019	2020
<i>(In U.S. Dollars, except for Available days)</i>		
Time charter revenues, net	\$ 1,880,723	\$ 5,310,936
Voyage expenses (including related party commissions)	(57,949)	(259,600)
TCE revenues	1,822,774	5,051,336
Available days	181	487
TCE rate	\$ 10,071	\$ 10,372

EBITDA. We define EBITDA as earnings before interest and finance costs (if any), net of interest income, taxes (when incurred), depreciation and amortization. EBITDA is used as a supplemental financial measure by management and external users of financial statements, such as investors, to assess our operating performance. We believe that EBITDA assists our management and investors by providing useful information that increases the comparability of our operating performance from period to period and against the operating performance of other companies in our industry that provide EBITDA information. This increased comparability is achieved by excluding the potentially disparate effects between periods or companies of interest, other financial items, depreciation and amortization and taxes, which items are affected by various and possibly changing financing methods, capital structure and historical cost basis and which items may significantly affect net income between periods. We believe that including EBITDA as a measure of operating performance benefits investors in (a) selecting between investing in us and other investment alternatives and (b) monitoring our ongoing financial and operational strength. EBITDA is not a measure of financial performance under U.S. GAAP, does not represent and should not be considered as an alternative to net income, operating income, cash flow from operating activities or any other measure of financial performance presented in accordance with U.S. GAAP. Therefore, EBITDA as presented below may not be comparable to similarly titled measures of other companies. The following table reconciles EBITDA to net income / (loss), the most directly comparable U.S. GAAP financial measure, for the periods presented:

	Six months ended June 30,	
	2019	2020
Reconciliation of Net Income / (Loss) to EBITDA		
<i>(In thousands of U.S. Dollars)</i>		
Net Income / (Loss)	\$ 316,572	\$ (404,468)
Depreciation and amortization	345,705	694,372
Interest and finance costs, net (including amortization of deferred financing costs and beneficial conversion feature as of June 30, 2020)	(19,862)	1,633,736
EBITDA	\$ 642,415	\$ 1,923,640

Results of Operations

Six months ended June 30, 2020 compared to the six months ended June 30, 2019

Time charter revenues

Time charter revenues, net of charterers' commissions, increased by \$3.4 million, or 178.9%, from \$1.9 million in the six months ended June 30, 2019, to \$5.3 million in the corresponding period of 2020. This increase reflected the addition of both the *M/V Magic Sun* and the *M/V Magic Moon* to our fleet on September 5, 2019 and October 20, 2019, respectively, thereby increasing our Fleet Available days from 181 in 2019 to 487 in 2020. The average daily revenue of our Fleet during the six month period ended June 30, 2020 after subtracting charterers' commissions and voyage expenses (time charter equivalent or TCE, as defined above), was \$10,372 per day compared to \$10,071 per day for last year's six-month period.

Voyage expenses

Voyage expenses increased by \$201,651, or 348.0%, from \$57,949 in the six months ended June 30, 2019, to \$259,600 in the corresponding period of 2020. This increase in voyage expenses is mainly associated with (i) the incurrence of non-cash amortization of deferred voyage expenses in the current six-month period which amounted to \$112,508, (ii) bunkers losses of \$33,856 we incurred in the current period following the transition of our Fleet into burning IMO compliant fuel oil and (iii) an increase in brokerage commissions by \$27,619, commensurate with the above discussed increase in time charter revenues.

Vessel operating expenses

Vessel operating expenses in the six-month period ended June 30, 2019 were \$0.9 million, which corresponds to a vessel average daily rate of \$4,830, as compared to \$2.6 million in the six-month period ended June 30, 2020, or a vessel average daily rate of \$4,770. This increase of \$1.7 million, or 188.9%, between the compared periods is primarily associated with the addition to our Fleet of the *M/V Magic Sun* and the *M/V Magic Moon*, as discussed above.

General and Administrative Expenses

- Company administration expenses

During the six month periods ended June 30, 2019 and 2020, we incurred Company administration expenses of \$113,420 and \$237,636, respectively. The increase by \$124,216, or 109.5%, in Company administration expenses between the compared periods is mainly attributable to (i) the increase in the audit, consultancy and legal fees for the period as well as (ii) the incurrence of directors' and officers' insurance expenses in the period, all of which are the result of being a publicly listed company on the Nasdaq since February 2019. Company administrative expenses generally consist of audit fees, legal fees, listing and consultancy fees, the remuneration fees we pay our Chief Financial Officer and Chief Executive Officer since our inception and the compensation we pay our non-executive directors since January 1, 2020, as well as other miscellaneous expenditures essential to conduct our business.

- Public registration costs

We incurred non-recurring public registration fees of \$132,091 in the six months ended June 30, 2019 in connection with the registration and listing of our common shares on the Nasdaq on February 11, 2019. Apart from registration and listing costs, public registration costs further include legal, consultancy and other costs incurred in connection with the aforementioned listings. We do not expect to incur any similar costs in the future as these were primarily initial listing costs.

Management fees- related party

During the six-month periods ended June 30, 2019 and 2020, we incurred \$57,920 and \$273,000 in management fees, respectively, or an average daily fee of \$320 and \$500, respectively. The increase in management fees between the compared periods is mainly derived from the increase in Fleet Ownership days from 181 in 2019 to 546 in 2020, following the addition to our Fleet of the *M/V Magic Sun* in September 2019, and of the *M/V Magic Moon* in October 2019. The increase in the daily average daily management fees of our Fleet is due to an increase in the management fee for the *M/V Magic P* to \$500 from \$320 effective January 1, 2020 in order to be aligned with that of the remaining Fleet.

Depreciation and amortization

Depreciation and amortization expenses comprise of vessels' depreciation and the amortization of vessels' capitalized dry-dock costs. Depreciation and amortization charges totaled \$345,705 in the six months ended June 30, 2019 as compared to \$694,372 in the six months ended June 30, 2020, thereby amounting to a \$348,667, or a 100.9%, increase.

Amortization of deferred dry-docking costs was \$198,045 during the six months ended June 30, 2019, compared to \$33,692 during the corresponding period of 2020. During the six months ended June 30, 2020, we incurred amortization charges for one vessel in our Fleet for 101 days and a daily amortization cost of \$334, whereas, in the same period of 2019, we incurred amortization charges similarly for one vessel in our Fleet but for a longer period of 181 days and a higher daily amortization cost of \$1,094, which mainly explains the variation noted.

Vessels' depreciation increased from \$147,660 in the six-months ended June 30, 2019 to \$660,680 in the six-months ended June 30, 2020 as, following the delivery of the *M/V Magic Sun* in September 2019 and of the *M/V Magic Moon* in October 2019, our depreciable days increased from 181 in 2019 to 546 in 2020.

Interest and finance costs, net

The increase by \$1,653,598 in net interest and finance costs in the six months ended June 30, 2020, as compared with the previous year's six month period, is mainly the result of (i) our having entered into certain secured and unsecured debt commitments in late 2019 and the beginning of 2020 in order to finance the acquisitions of the *M/V Magic Sun* and the *M/V Magic Moon* discussed elsewhere in this report, which resulted in interest costs in the six months ended June 30, 2020 amounting to \$583,996 and (ii) the non-cash recurring amortization expenses in connection with our existing credit facilities and the non-cash accelerated amortization expenses related to deferred financing costs and to a beneficial conversion feature recognized in connection with our repaid, as of June 30, 2020, \$5.0 million convertible debentures aggregating to an amount of \$1,073,877. We did not have any secured or unsecured debt outstanding during the six months ended June 30, 2019.

Significant Accounting Policies

There have been no material changes to our significant accounting policies since December 31, 2019. For a description of our significant accounting policies, see Note 2 to our audited consolidated financial statements included in our 2019 Annual Report, as supplemented by Note 2 to our interim unaudited consolidated financial statements contained elsewhere in this report.

Liquidity and Capital Resources

We operate in a capital-intensive industry and we expect to finance the purchase of additional vessels and other capital expenditures through a combination of borrowings from debt transactions, cash generated from operations and equity offerings and sales. Our liquidity requirements relate to servicing the principal and interest on our debt, funding capital expenditures and working capital (which includes maintaining the quality of our dry bulk vessels and complying with international shipping standards and environmental laws and regulations) and maintaining cash reserves for the purpose of satisfying a certain free cash minimum liquidity restriction contained in our Alpha Bank Facility and a certain cash collateral requirement included in our Chailease Financial Services Facility, as defined below. In accordance with our business strategy, other liquidity needs may relate to funding potential investments and maintaining cash reserves against fluctuations in operating cash flows. Our funding and treasury activities are intended to maximize investment returns while maintaining appropriate liquidity.

For the six months ended June 30, 2020, our principal sources of funds were the net proceeds from (i) the issuance of common stock as part of our Underwritten Public Offering and (ii) the incurrence of secured and unsecured debt as discussed below under “Our Borrowing Activities.” As of June 30, 2020 and December 31, 2019, we had cash and cash equivalents of \$30.8 million and \$4.6 million, respectively. Cash and cash equivalents are held in U.S. dollars.

During the period from February 20, 2020 to June 8, 2020, we issued 8,042,078 common shares upon the conversion of the \$5.0 Million Convertible Debentures, as defined below, in their entirety.

On June 26, 2020, we concluded the Underwritten Public Offering which resulted in the sale and issuance by us of 59,082,686 common shares and 59,110,000 Class A Warrants and the raising of gross and net cash proceeds of approximately \$20.7 million and \$18.6 million, respectively.

On July 15, 2020, we concluded the Registered Offering which resulted in the sale and issuance by us of 57,750,000 common shares and an equivalent number of Private Placement Warrants for which we have received gross proceeds amounting to \$17.3 million.

As of the date of this report, 3,019,500 common shares have been issued in connection with exercises of the Class A Warrants issued pursuant to the Underwritten Public Offering for which we have raised gross proceeds of \$1.1 million and 56,090,500 Class A Warrants remain unexercised and potentially issuable into our common shares at an exercise price of \$0.35 per common share.

As of June 30, 2020, our indebtedness, excluding any unamortized portion of deferred finance costs, amounted to \$19.6 million and related to the \$5.0 Million Term Loan Facility which was provided by an entity affiliated with Petros Panagiotidis, the Alpha Bank Facility and the Chailease Financial Services Facility, further discussed below. As of December 31, 2019, we had gross outstanding indebtedness amounting to \$16.0 million.

Working capital is equal to current assets minus current liabilities. As of June 30, 2020, we had a working capital surplus of \$24.4 million as compared to a working capital surplus of \$3.2 million as of December 31, 2019. We believe that our current sources of funds and those that we anticipate to internally generate for a period of at least the next twelve months from the date of this report, will be sufficient to fund the operations of our Fleet, meet our normal working capital requirements and service the principal and interest on our debt.

On November 15, 2018, we entered into a contract to purchase and install a ballast water management system (“BWMS”) on the *M/V Magic P* and on October 20, 2019, we further agreed to install such systems on the *M/V Magic Sun* and the *M/V Magic Moon* as well. The BWMS installation on the *M/V Magic P* was partially completed during the vessel’s dry-docking that was completed on March 21, 2020 and the final installation stage was extended from the second half of 2020 to the second half of 2022. We expect that the BWMS installation on the *M/V Magic Sun* will be completed during the vessel’s upcoming dry-docking expected to take place in the fourth quarter of 2020, whereas, the BWMS system installation on the *M/V Magic Moon* was granted an extension from the third quarter of 2020 to the third quarter of 2022. It is estimated that the contractual obligations related to these purchases, excluding installation costs, will be approximately €0.7 million (or \$0.8 million on the basis of a Euro/US Dollar exchange rate of €1.0000/\$1.1247 as of June 30, 2020).

During the six months ended June 30, 2020, we used cash in operating activities in the amount of \$0.4 million as compared to \$0.7 million provided by operating activities in the corresponding period of 2019, which represents a decrease in cash provided from operating activities of \$1.1 million. This decrease is largely associated with the six month period ended June 30, 2020 net decrease in working capital versus the net increase in working capital in the comparative six month period ended June 30, 2019, as further discussed below.

Our Borrowing Activities

\$5.0 Million Term Loan Facility

On August 30, 2019, we entered into a \$5.0 million unsecured term loan with Thalassa Investment Co. S.A., or Thalassa, an entity affiliated with Petros Panagiotidis, or the \$5.0 Million Term Loan Facility. The proceeds from the \$5.0 Million Term Loan Facility were used to partly finance the acquisition of the *M/V Magic Sun*. The entire loan amount was drawn down on September 3, 2019. The \$5.0 Million Term Loan Facility bears a fixed interest rate per annum and has a bullet repayment on March 3, 2021, a date which is eighteen (18) months after the drawdown date. The \$5.0 Million Term Loan Facility may be prepaid in whole or in part at any time prior to its maturity, at our option. The \$5.0 Million Term Loan Facility contains event of default provisions and covenants customary for unsecured facilities of this type, including, but not limited to, failure to pay, bankruptcy and insolvency, material litigation, change of business, as further set forth in the provisions of the \$5.0 Million Term Loan Facility. The \$5.0 Million Term Loan Facility does not impose any financial covenant requirements or other minimum liquidity restrictions on us.

Alpha Bank Facility - \$11.0 Million Senior Secured Credit Facility

On November 22, 2019, Spetses Shipping Co. and Pikachu Shipping Co. our wholly-owned subsidiaries, concluded as co-borrowers, or the Borrowers, our first \$11.0 million secured financing with Alpha Bank S.A., or the Alpha Bank Facility, the net proceeds of which were drawn down on December 2, 2019. The Alpha Bank Facility has a term of five years from the drawdown date, bears interest at 3.50% over LIBOR per annum and is repayable in twenty (20) equal quarterly instalments of \$400,000 each, plus a balloon instalment payable at maturity, on December 2, 2024. The facility is secured by, including but not limited to, a first preferred mortgage and first priority general assignment covering earnings, insurances and requisition compensation over the vessels owned by the Borrowers, an earnings account pledge, shares security deed relating to the shares of the vessels' owning subsidiaries, manager's undertakings and is guaranteed by Castor.

The Alpha Bank Facility contains certain customary minimum liquidity restrictions and financial covenants that require the Borrowers to:

- maintain a certain amount of minimum free liquidity per collateralized vessel (“the Minimum Liquidity Deposit”); and
- meet a specified minimum security requirement ratio, which is the ratio of the aggregate market value of the mortgaged vessels plus the value of any additional security and the value of the Minimum Liquidity Deposit to the aggregate principal amounts due under the Alpha Bank Facility.

Chailease Financial Services Facility - \$4.5 Million Senior Secured Credit Facility

On January 23, 2020, pursuant to the terms of a credit agreement, Bistro Maritime Co., our wholly-owned subsidiary, entered into a \$4.5 million secured term loan facility with Chailease International Financial Services Co., Ltd., or the Chailease Financial Services Facility. The loan was drawn down on January 31, 2020, is repayable in twenty (20) equal quarterly installments of \$150,000 each, plus a balloon installment payable at maturity and bears interest at 4.50% plus LIBOR per annum. The facility contains a standard security package including a first preferred mortgage on the vessel, pledge of bank account, charter assignment, shares pledge and a general assignment over the vessel's earnings, insurances and any requisition compensation in relation to the vessel owned by the borrower, and is guaranteed by us and Pavimar. Pursuant to the terms of the Chailease Financial Services Facility, we are also subject to a certain minimum liquidity restriction requiring the borrower to maintain a certain credit balance with the lender (the “Cash Collateral”) as well as certain customary, for this type of facilities, negative covenants. The credit agreement governing the Chailease Financial Services Facility also requires maintenance of a maximum value to loan ratio being the aggregate principal amount of (i) fair market value of the collateral vessel and (ii) the value of any additional security (including the Cash Collateral), to the aggregate principal amount of the loan.

\$5.0 Million Convertible Debentures

On January 27, 2020, we entered into a securities purchase agreement with an institutional investor (or “the Investor”), pursuant to which, on January 27, 2020, February 10, 2020 and February 19, 2020, we issued and sold to the Investor three convertible debentures in original principal amounts of \$2.0 million, \$1.5 million and \$1.5 million each, respectively, or collectively, the \$5.0 Million Convertible Debentures. The \$5.0 Million Convertible Debentures originally matured 12 months from their issuance dates and bore fixed interest at 6% per annum. As of June 8, 2020, the Investor converted an aggregate \$5.1 million of principal and interest under the \$5.0 Million Convertible Debentures (which comprised of the full \$5.0 million principal amount and \$0.1 million of interest) for 8,042,078 common shares.

Cash Flows

The following table summarizes our net cash flows (used in)/provided from operating, investing and financing activities and our cash, cash equivalents and restricted cash for the six month periods ended June 30, 2019 and 2020:

<i>(in thousands of U.S. Dollars)</i>	Six months ended June 30,	
	2019	2020
Net cash provided by / (used in) operating activities	\$ 738,963	\$ (390,619)
Net cash used in investing activities	—	(388,635)
Net cash (used in) / provided by financing activities	(40,250)	26,974,956
Cash, cash equivalents and restricted cash at beginning of period	1,887,280	5,058,939
Cash, cash equivalents and restricted cash at end of period	\$ 2,585,993	\$ 31,254,641

Operating Activities:

Net cash provided by operating activities amounted to \$738,963 for the six-month period ended June 30, 2019, consisting of net income after non-cash items of \$662,277 and a working capital cash increase of \$76,686. Net cash used in operating activities amounted to \$390,619 for the six-month period ended June 30, 2020, consisting of net income after non-cash items of \$1,103,069, offset by a reduction in working capital by \$1,493,688. The decrease by \$1,129,582, or 152.9%, in cash provided by operating activities between the compared periods is mainly due to the \$1,493,688 net working capital decrease we incurred in the six months ended June 30, 2020 as compared to a net working capital increase of \$76,686 incurred in the six month period ended June 30, 2019.

Investing Activities:

We did not use cash towards any investing activities in the six-month period ended June 30, 2019.

Net cash used in investing activities during the six-months ended June 30, 2020 amounting to \$388,635, relates to the paid portion of the capitalized expenditures in connection the *M/V Magic P* partial BWMS installation that was completed during the vessel’s dry-docking in the first quarter of 2020.

Financing Activities:

Net cash used in financing activities during the six-months ended June 30, 2019 amounting to \$40,250, relates to securities registration and filings costs in connection with our registration statement on Form F-3 that was filed on June 10, 2019.

The 2020 six-month period \$26,974,956 cash inflow from financing activities resulted from (i) the net proceeds raised under our Underwritten Public Offering amounting to \$19,033,941 and (ii) the \$9.5 million cash proceeds under our \$5.0 Million Convertible Debentures and the Chailease Financial Services Facility, that were offset by (i) \$950,000 of scheduled principal repayments under the Alpha Bank Facility and the Chailease Financial Services Facility and (ii) an aggregate \$608,985 cash outflow related to deferred finance fees payments in the period.

	<u>Page</u>
Unaudited Interim Consolidated Balance Sheets as of December 31, 2019 and June 30, 2020	F-2
Unaudited Interim Condensed Consolidated Statements of Comprehensive Income/(Loss) for the six months ended June 30, 2019 and 2020	F-3
Unaudited Interim Consolidated Statements of Shareholders' Equity for the six months ended June 30, 2019 and 2020	F-4
Unaudited Interim Consolidated Statements of Cash Flows for the six months ended June 30, 2019 and 2020	F-5
Notes to Unaudited Interim Condensed Consolidated Financial Statements	F-6

CASTOR MARITIME INC.
UNAUDITED INTERIM CONSOLIDATED BALANCE SHEETS
December 31, 2019 and June 30, 2020
(Expressed in U.S. Dollars – except for share data)

ASSETS		December	June 30,
CURRENT ASSETS:	Note	31,	2020
		2019	2020
Cash and cash equivalents		\$ 4,558,939	\$ 30,754,641
Accounts receivable trade		216,485	921,488
Due from related party	3	759,386	470,848
Inventories		143,534	190,914
Prepaid expenses and other assets		375,255	435,851
Deferred charges, net		167,298	—
Total current assets		6,220,897	32,773,742
NON-CURRENT ASSETS:			
Vessels, net	5	23,700,029	23,523,913
Restricted cash	6	500,000	500,000
Prepaid expenses and other assets, non-current		—	200,000
Deferred charges, net	4	—	531,074
Total non-current assets		24,200,029	24,754,987
Total assets		\$ 30,420,926	\$ 57,528,729
LIABILITIES AND SHAREHOLDERS' EQUITY			
CURRENT LIABILITIES:			
Current portion of long-term debt, net	6	1,522,895	2,091,062
Current portion of long-term debt, related party	3, 6	—	5,000,000
Accounts payable		410,592	373,604
Deferred revenue, net		493,015	—
Accrued liabilities		556,248	934,087
Total current liabilities		2,982,750	8,398,753
Commitments and contingencies	9		
NON-CURRENT LIABILITIES:			
Long-term debt, net	6	9,234,165	12,137,158
Long-term debt, related party	3, 6	5,000,000	—
Total non-current liabilities		14,234,165	12,137,158
SHAREHOLDERS' EQUITY:			
Common shares, \$0.001 par value; 1,950,000,000 shares authorized; 3,318,112 shares issued and outstanding as of December 31, 2019 and 70,442,876 issued and outstanding as of June 30, 2020	7	3,318	70,443
Preferred shares, \$0.001 par value: 50,000,000 shares authorized:	7		
Series A Preferred Shares- 9.75% cumulative redeemable perpetual preferred shares (liquidation preference of \$30 per share), 480,000 shares issued and outstanding as of December 31, 2019 and June 30, 2020, respectively	7	480	480
Series B Preferred Shares – 12,000 shares issued and outstanding as of December 31, 2019 and June 30, 2020, respectively	7	12	12
Additional paid-in capital		12,763,403	36,889,553
Retained earnings		436,798	32,330
Total shareholders' equity		13,204,011	36,992,818
Total liabilities and shareholders' equity		\$ 30,420,926	\$ 57,528,729

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

CASTOR MARITIME INC.
UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME/(LOSS)
For the six months ended June 30, 2019 and 2020
(Expressed in U.S. Dollars – except for share data)

	<u>Note</u>	<u>Six months ended June 30,</u>	
		<u>2019</u>	<u>2020</u>
REVENUES:			
Vessel revenues (net of commissions to charterers of 88,154 and 282,059 respectively)		\$ 1,880,723	\$ 5,310,936
Total revenues		1,880,723	5,310,936
EXPENSES:			
Voyage expenses (including \$23,901 and \$0 to related party for the six months ended June 30, 2019 and 2020, respectively)	3,12	(57,949)	(259,600)
Vessel operating expenses	12	(874,260)	(2,604,336)
Management fees to related party	3	(57,920)	(273,000)
Depreciation and amortization	4,5	(345,705)	(694,372)
General and administrative expenses	13		
- Company administration expenses		(113,420)	(237,636)
- Public registration costs		(132,091)	—
Total expenses		(1,581,345)	(4,068,944)
Operating income		299,378	1,241,992
OTHER INCOME/(EXPENSES):			
Interest and finance costs (including \$0 and \$151,667 to related party for the six months ended June 30, 2019 and 2020, respectively)	3,6, 14	(1,554)	(1,665,828)
Interest income		21,416	32,092
Foreign exchange losses		(2,668)	(12,724)
Total other income/(expenses), net		17,194	(1,646,460)
Net income/(loss) and comprehensive income/(loss)		\$ 316,572	\$ (404,468)
Loss per common share, basic and diluted	11	\$ (0.56)	\$ (0.05)
Weighted average number of common shares, basic and diluted		2,400,000	8,027,649

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

CASTOR MARITIME INC.
UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
For the six months ended June 30, 2019 and 2020
(Expressed in U.S. Dollars – except for share data)

	Number of shares issued			Par Value of Shares issued	Additional Paid-in capital	Retained earnings	Total Shareholders' Equity
	Common shares	Preferred A shares	Preferred B shares				
Balance, December 31, 2018	2,400,000	480,000	12,000	2,892	7,612,108	2,136,024	9,751,024
-Net income	—	—	—	—	—	316,572	316,572
Balance, June 30, 2019	2,400,000	480,000	12,000	2,892	7,612,108	2,452,596	10,067,596
Balance, December 31, 2019	3,318,112	480,000	12,000	3,810	12,763,403	436,798	13,204,011
- Issuance of common stock pursuant to the \$5.0 Million Convertible Debentures (Notes 6,7)	8,042,078	—	—	8,042	5,049,731	—	5,057,773
- Issuance of common stock pursuant to the June Equity Offering, net of issuance costs (Note 7)	59,082,686	—	—	59,083	18,543,982	—	18,603,065
- Beneficial conversion feature pursuant to the issuance of the \$5.0 Million Convertible Debentures (Note 6)	—	—	—	—	532,437	—	532,437
-Net loss	—	—	—	—	—	(404,468)	(404,468)
Balance, June 30, 2020	70,442,876	480,000	12,000	70,935	36,889,553	32,330	36,992,818

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

CASTOR MARITIME INC.
UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
For the six months ended June 30, 2019 and 2020 (Expressed in U.S. Dollars)

	<u>Note</u>	<u>Six months ended June 30,</u>	
		<u>2019</u>	<u>2020</u>
Cash Flows from/(used in) Operating Activities:			
Net income/(loss)		\$ 316,572	\$ (404,468)
Adjustments to reconcile net income/(loss) to net cash provided by operating activities:			
Depreciation and amortization of deferred dry-docking costs	4,5	345,705	694,372
Amortization and write-off of deferred finance charges	14	—	541,441
Amortization of other deferred charges		—	112,508
Deferred revenue amortization		—	(430,994)
Interest settled in common stock	6,14	—	57,773
Amortization and write-off of convertible notes beneficial conversion feature	6,14	—	532,437
Changes in operating assets and liabilities:			
Accounts receivable trade		507,633	(705,003)
Inventories		(869)	(47,380)
Due from related parties		(168,769)	288,538
Prepaid expenses and other current assets		(159,903)	(260,596)
Dry-dock paid		—	(509,976)
Accounts payable		(142,034)	(179,960)
Accrued liabilities		88,336	(17,290)
Deferred revenue		(47,708)	(62,021)
Net Cash provided by/(used in) Operating Activities		738,963	(390,619)
Cash flow used in Investing Activities:			
Vessel acquisitions and other vessel improvements	5	—	(388,635)
Net cash used in Investing Activities		—	(388,635)
Cash flows (used in)/provided by Financing Activities:			
Gross proceeds from issuance of common stock and warrants	7	—	20,671,500
Common stock issuance expenses paid		(40,250)	(1,637,559)
Proceeds from long-term debt	6	—	9,500,000
Repayment of long-term debt	6	—	(950,000)
Payment of deferred financing costs		—	(608,985)
Net cash (used in)/provided by Financing Activities		(40,250)	26,974,956
Net increase in cash, cash equivalents, and restricted cash		698,713	26,195,702
Cash, cash equivalents and restricted cash at the beginning of the period		1,887,280	5,058,939
Cash, cash equivalents and restricted cash at the end of the period		\$ 2,585,993	\$ 31,254,641
RECONCILIATION OF CASH, CASH EQUIVALENTS AND RESTRICTED CASH			
Cash and cash equivalents		\$ 2,585,993	\$ 30,754,641
Restricted cash		—	500,000
Cash, cash equivalents, and restricted cash		\$ 2,585,993	\$ 31,254,641
SUPPLEMENTAL CASH FLOW INFORMATION			
Cash paid for interest		—	354,433
Shares issued in connection with the settlement of the \$5.0 Million Convertible Debentures		—	5,057,773
Unpaid vessel acquisition and other addition costs (included in Accounts payable and Accrued liabilities)		—	104,654
Unpaid capital raising costs (included in Accounts payable and Accrued Liabilities)		—	430,876

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

CASTOR MARITIME INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in U.S. Dollars – except for share data unless otherwise stated)

1. Basis of Presentation and General information

Castor Maritime Inc. (“Castor”) was incorporated in September 2017 under the laws of the Republic of the Marshall Islands. The accompanying consolidated financial statements include the accounts of Castor and its wholly-owned subsidiaries (collectively, the “Company”).

The Company is engaged in the worldwide ocean transportation of dry bulk cargoes through its vessel-owning subsidiaries. On December 21, 2018, Castor’s common shares began trading on the Norwegian OTC and on February 11, 2019, they began trading on the Nasdaq Capital Market, or Nasdaq, under the symbol “CTRM”.

Castor is controlled by Thalassa Investment Co. S.A. (“Thalassa”), a corporation incorporated in Liberia, which as of June 30, 2020, held 1.6% of the Company's common shares and 100% of the Series B preferred shares and, accordingly, controlled the outcome of matters on which shareholders are entitled to vote. Thalassa is wholly-owned and controlled by Petros Panagiotidis, the Company's Chairman, Chief Executive Officer and Chief Financial Officer.

Pavimar S.A., a corporation incorporated under the laws of the Republic of the Marshall Islands (“Pavimar”, or “the Manager”), a related party controlled by the sister of Petros Panagiotidis, Ismini Panagiotidis, provides technical, crew and operational management services to the Company.

The accompanying unaudited interim condensed consolidated financial statements include the accounts of Castor and its wholly owned subsidiaries and have been prepared in accordance with accounting principles generally accepted in the United States (“U.S. GAAP”) for interim financial information. Accordingly, they do not include all the information and notes required by U.S. GAAP for complete financial statements. These statements and the accompanying notes should be read in conjunction with the Company’s Annual Report on Form 20-F for the fiscal year ended December 31, 2019, filed with the U.S. Securities and Exchange Commission (the “SEC”) on March 31, 2020 (the “2019 Annual Report”).

On September 27, 2019, the Company’s Board of Directors authorized a change in Castor’s fiscal year end from September 30 to December 31. As a result, the Company’s comparative unaudited interim condensed consolidated financial statements have been prepared on the basis of the revised fiscal year end. In the opinion of management, these financial statements reflect all adjustments which include normal recurring adjustments considered necessary for a fair presentation of the Company’s financial position, results of operations and cash flows for the periods presented. Operating results for the six-month period ended June 30, 2020 are not necessarily indicative of the results that might be expected for the fiscal year ending December 31, 2020.

As of June 30, 2020, the Company was the sole owner of all outstanding shares of the following subsidiary companies:

Vessel owning subsidiaries consolidated:

Company	Country of incorporation	Vessel Name	DWT	Year Built	Delivery date to Castor
Spetses Shipping Co. (“Spetses”)	Marshall Islands	<i>Magic P</i>	76,453	2004	February 2017
Bistro Maritime Co. (“Bistro”)	Marshall Islands	<i>Magic Sun</i>	75,311	2001	September 2019
Pikachu Shipping Co. (“Pikachu”)	Marshall Islands	<i>Magic Moon</i>	76,602	2005	October 2019

Subsidiaries consolidated formed to acquire vessel:

Company	Country of incorporation
Bagheera Shipping Co. (“Bagheera”)	Marshall Islands

CASTOR MARITIME INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in U.S. Dollars – except for share data unless otherwise stated)

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

COVID-19 related considerations

The COVID-19 pandemic has negatively impacted, and may continue to impact negatively, global economic activity and demand, including the dry-bulk shipping industry into which the Company operates. In case that the COVID-19 pandemic continues to negatively impact market rates in the long-term, depending on the pervasiveness of such economic recession, there could be a significant negative impact in the Company's liquidity, vessels' value and overall financial condition. The Company evaluates on a quarterly basis its ability to continue as a going concern in accordance the provisions of ASU No. 2014-15 for a period of one year after the date that the financial statements are issued. In light of the continuity of the COVID-19 pandemic and the overall uncertainty on its potential future impact, the Company, as at June 30, 2020, performed a sensitivity analysis on key assumptions such as the estimates of future charter rates for non-contracted revenue days in order to identify conditions or events that raise substantial doubt about the Company's ability to continue as a going concern within one year from the date the financial statements are issued. As per the Company's evaluation, it was concluded that COVID-19 related considerations did not adversely affect the Company's ability to continue as a going concern.

2. Significant Accounting Policies and Recent Accounting Pronouncements:

A discussion of the Company's significant accounting policies can be found in the consolidated financial statements for the year ended December 31, 2019, included in the Company's 2019 Annual Report. Apart from the below, there have been no material changes to these policies in the six-month period ended June 30, 2020.

New significant accounting policies adopted during the six months ended June 30, 2020

Convertible debt and associated beneficial conversion features

Convertible debt is accounted in accordance with ASC 470-20, Debt with Conversion and Other Options. An instrument that is not a derivative itself must be evaluated for embedded features that should be bifurcated and separately accounted for as freestanding derivatives in accordance with ASC 815, Derivatives and Hedging, or separately accounted for under the cash conversion literature of ASC 470-20, Debt with Conversion and Other Options.

In relation to the Company's issued \$5.0 million senior unsecured convertible debentures (Note 6), the terms of each convertible debenture included an embedded conversion feature which provided for a conversion at the option of the holder into shares of common stock at an adjustable conversion ratio. The Company determined that the conversion features were beneficial conversion features ("BCF") pursuant to ASC 470-20. The Company considered the BCF guidance only after determining that the features did not need to be bifurcated under ASC 815, Derivatives and Hedging, or separately accounted for under the cash conversion literature of ASC 470-20, Debt with Conversion and Other Options.

The BCF is recognized separately at issuance by allocating a portion of the proceeds equal to the intrinsic value of the BCF to additional paid-in capital, resulting in a discount on the convertible instrument. This discount is accreted from the date on which the BCF is first recognized through the stated maturity date of the convertible instrument using the effective interest method. Upon conversion of an instrument with a BCF, all unamortized discounts at the conversion date are recognized immediately as interest expense.

CASTOR MARITIME INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in U.S. Dollars – except for share data unless otherwise stated)

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

Recent Accounting Pronouncements:

There are no recent accounting pronouncements the adoption of which are expected to have a material effect on the Company's unaudited interim consolidated condensed financial statements in the current period.

CASTOR MARITIME INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in U.S. Dollars – except for share data unless otherwise stated)

3. Transactions with Related Parties:

During the six month periods ended June 30, 2019 and 2020, the Company incurred the following charges in connection with related party transactions, which are included in the accompanying unaudited interim condensed consolidated statements of comprehensive income/(loss):

	Six months ended June 30, 2019	Six months ended June 30, 2020
Management fees-related party		
Management fees (a)	\$ 57,920	\$ 273,000
Included in Voyage expenses		
Charter hire commissions (b)	\$ 23,901	\$ —
Included in Interest and finance costs		
Interest expenses (c)	\$ —	\$ 151,667

As of December 31, 2019 and June 30, 2020, balances with related parties consisted of the following:

	December 31, 2019	June 30, 2020
Assets:		
Working capital advances granted to the Manager (a)	\$ 759,386	\$ 470,848
Liabilities:		
Related party debt (c)	\$ 5,000,000	\$ 5,000,000

(a) Pavimar:

The Company's ship-owning subsidiaries have each entered into separate vessel management agreements with Pavimar, a company controlled by Ismini Panagiotidis, the sister of Petros Panagiotidis (see Note 1). Pursuant to the terms of the management agreements, Pavimar provides the Company with a wide range of shipping services, including crew management, technical management, operational employment management, insurance arrangements, provisioning, bunkering, accounting, general administration and audit support services, in exchange for a fixed daily fee, for a period beginning upon a vessel's delivery and until the termination of the agreement. Since November 13, 2017 and up to December 31, 2019, the daily fixed management fee of the sole vessel in the Company's fleet at that time, the *Magic P*, was set at \$320 from a previous \$250. The daily management fee on the *Magic Sun* and *Magic Moon* was set at \$500 from their delivery date onwards. On January 1, 2020, the *Magic P* daily management fee was aligned via an amendment to its management agreement with that of the remaining fleet, and, as a result, during the six month period ended June 30, 2020, all the Company's vessels were charged with a daily management fee of \$500 per day per vessel.

During the six months ended June 30, 2019 and 2020, the Company incurred management fees under the vessel management agreements amounting to \$57,920 and \$273,000, respectively, which are separately reflected in the accompanying unaudited interim condensed consolidated statements of comprehensive income/(loss).

In addition, each month the Manager makes payments for operating expenses with funds provided in advance by the Company. As of December 31, 2019 and June 30, 2020, amounts of \$759,386 and \$470,848, respectively, were due from the Manager in relation to these working capital advances granted to it.

CASTOR MARITIME INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in U.S. Dollars – except for share data unless otherwise stated)

3. Transactions with Related Parties (continued):

(b) Alexandria Enterprises S.A.:

During the six month period ended June 30, 2019, the Company used on a non-recurring basis the commercial services of Alexandria Enterprises S.A., (“Alexandria”) an entity controlled by a family member of the Company’s Chairman, Chief Executive Officer and Chief Financial Officer. In exchange for these services, Alexandria charged the Company a commission rate equal to 1.25% of the gross charter hire, freight and the ballast bonus earned under a charter agreement.

Commissions charged by Alexandria during the six month period ended June 30, 2019 amounted to \$23,901 and are included in Voyage expenses in the accompanying unaudited interim condensed consolidated statements of comprehensive income/(loss). The Company has stopped using the commercial services of Alexandria since January 1, 2020, and, accordingly, no relevant charges exist for the six month period ended June 30, 2020. As of December 31, 2019 and June 30, 2020, no amounts were due to Alexandria.

(c) Thalassa:

Details of the Company’s loan agreement with Thalassa are discussed in (Note 3) of the consolidated financial statements for the year ended December 31, 2019, included in the Company’s Annual Report.

During the six months ended June 30, 2020, the Company incurred interest costs in connection with the \$5.0 million unsecured term loan with Thalassa (the “\$5.0 Million Term Loan Facility”) amounting to \$151,667, which are included in Interest and finance costs in the accompanying unaudited interim consolidated statements of comprehensive income/(loss).

As of June 30, 2020, no amounts were prepaid under the \$5.0 Million Term Loan Facility.

4. Deferred charges, net:

The movement in the deferred dry-docking costs, net in the accompanying unaudited interim consolidated balance sheets, is as follows:

	Dry-docking costs
Balance December 31, 2019	\$ —
Additions	564,766
Amortization	(33,692)
Balance June 30, 2020	\$ 531,074

On February 14, 2020, the *Magic P* commenced its scheduled dry-dock which was completed on March 21, 2020. Amortization of deferred dry-docking costs is included in Depreciation and amortization in the accompanying unaudited interim condensed consolidated statements of comprehensive income/(loss).

CASTOR MARITIME INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in U.S. Dollars – except for share data unless otherwise stated)

5. Vessels, net:

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

	<u>Vessel Cost</u>	<u>Accumulated depreciation</u>	<u>Net Book Value</u>
Balance December 31, 2019	\$ 24,810,061	\$ (1,110,032)	\$ 23,700,029
— Additions and other improvements to fleet vessels	484,564	—	484,564
— Period depreciation	—	(660,680)	(660,680)
Balance June 30, 2020	\$ 25,294,625	\$ (1,770,712)	\$ 23,523,913

As of June 30, 2020, all vessels were first priority mortgaged to secured loans of the Company (Note 6).

On August 8, 2020, pursuant to an agreement entered into on June 30, 2020 with an unaffiliated third party, the Company took delivery of its fourth Panamax dry bulk carrier vessel, the *M/V Magic Rainbow* and, on July 28, 2020, it agreed the acquisition of its fifth vessel, to be re-named *M/V Magic Horizon* (Note 15).

6. Long-Term Debt:

The amount of long-term debt (including related party debt discussed under Note 3) shown in the accompanying consolidated balance sheet of June 30, 2020, is analyzed as follows:

	<u>Borrowers- Issuers</u>	<u>Year / Period Ended</u>	
		<u>December 31, 2019</u>	<u>June 30, 2020</u>
Debt instruments			
\$11.0 Million Alpha Bank Facility (a)	Spetses- Pikachu	\$ 11,000,000	\$ 10,200,000
\$4.5 Million Chailease Financial Services Facility (b)	Bistro	—	4,350,000
Total long-term debt		\$ 11,000,000	\$ 14,550,000
Less: Deferred financing costs		(242,940)	(321,780)
Total long-term debt, net of deferred finance costs		\$ 10,757,060	14,228,220
Presented:			
Current portion of long-term debt		\$ 1,600,000	\$ 2,200,000
Less: Current portion of deferred finance costs		(77,105)	(108,938)
Current portion of long-term debt, net of deferred finance costs		\$ 1,522,895	\$ 2,091,062
Non-Current portion of long-term debt		9,400,000	12,350,000
Less: Non-Current portion of deferred finance costs		(165,835)	(212,842)
Non-Current portion of long-term debt, net of deferred finance costs		\$ 9,234,165	\$ 12,137,158
Debt instruments from related party			
\$5.0 Million Term Loan Facility (Note 3(c))	Castor	5,000,000	5,000,000
Total long-term debt from related party		\$ 5,000,000	\$ 5,000,000

CASTOR MARITIME INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in U.S. Dollars – except for share data unless otherwise stated)

6. Long-Term Debt (continued):

a. \$11.0 Million Alpha Bank Facility:

Details of the Company's \$11.0 million senior secured credit facility with Alpha Bank A.E, or the \$11.0 Million Alpha Bank Facility, are discussed in (Note 6) of the consolidated financial statements for the year ended December 31, 2019, included in the Company's 2019 Annual Report.

b. \$4.5 Million Chailease Financial Services Facility:

On January 23, 2020, pursuant to the terms of a credit agreement, Bistro entered into a \$4.5 million secured term loan facility with Chailease International Financial Services Co., Ltd., or the Chailease Financial Services Facility. The loan was drawn down on January 31, 2020, is repayable in twenty (20) equal quarterly installments of \$150,000 each, plus a balloon installment payable at maturity and bears interest at 4.50% plus LIBOR per annum. The facility contains a standard security package including a first preferred mortgage on the vessel, pledge of bank account, charter assignment, shares pledge and a general assignment over the vessel's earnings, insurances and any requisition compensation in relation to the vessel owned by the borrower, and is guaranteed by the Company and Pavimar. Pursuant to the terms of the Chailease Financial Services Facility, the Company is also subject to certain minimum liquidity restrictions requiring the borrower to maintain a \$400,000 credit balance with the lender (the "Cash Collateral") as well as certain customary, for this type of facilities, negative covenants. Bistro shall, from the first anniversary of the drawdown date, be entitled to withdraw up to \$200,000 in aggregate from this balance provided no default has occurred. As a result of the above, the \$200,000 of the Cash Collateral was classified in Prepaid expenses and other assets, non-current in the accompanying unaudited interim consolidated balance sheet. The credit agreement governing the Chailease Financial Services Facility also requires maintenance of a maximum value to loan ratio being the aggregate principal amount of (i) fair market value of the collateral vessel and (ii) the value of any additional security (including the Cash Collateral), to the aggregate principal amount of the loan.

c. \$5.0 Million Convertible Debentures:

On January 27, 2020, the Company entered into a securities purchase agreement with an institutional investor, YAH PN, LTD, or the Investor, pursuant to which, on January 27, 2020, February 10, 2020 and February 19, 2020, the Company issued and sold to the Investor three unsecured convertible debentures that were convertible into shares of the Company's common stock, in original principal amounts of \$2.0 million, \$1.5 million and \$1.5 million each, respectively (individually, a "Convertible Debenture" and collectively, the "\$5.0 Million Convertible Debentures"). The \$5.0 Million Convertible Debentures originally matured 12 months from their issuance dates, bore fixed interest at 6% per annum, and were convertible at the Investor's option, at any time after issuance, into common shares of the Company at the lower of (i) a price of \$2.25 per common share or (ii) 90% of the lowest daily volume weighted average price of the common stock during the 10 trading days prior to the conversion date. As of June 8, 2020, the Investor had converted the full principal amount and interest owed with respect to the \$5.0 Million Convertible Debentures aggregating to an amount of \$5,057,773 and the Company had issued 8,042,078 common shares in settlement thereof.

The Company accounted for the issuance of the convertible debentures in accordance with the BCF guidance in ASC 470-20 and accordingly recognized the BCFs, amounting to \$532,437, separately at issuance by allocating a portion of the proceeds equal to the intrinsic value of these features to additional paid-in capital. The intrinsic value of each BCF was calculated at the commitment date as the difference between the conversion price and the fair value of the common stock, multiplied by the number of shares into which the security was convertible. Following the conversions by the Investor of the amounts owed under the \$5.0 Million Convertible Debentures, the Company, as of June 30, 2020, recognized all unamortized discounts at the conversion dates as interest expense which is included in Interest and Finance Costs in the accompanying unaudited interim consolidated statements of comprehensive income/(loss).

As of June 30, 2020, the Company was in compliance with all financial covenants prescribed in its debt agreements.

CASTOR MARITIME INC.**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in U.S. Dollars – except for share data unless otherwise stated)

6. Long-Term Debt (continued):

Restricted cash as of June 30, 2020 and December 31, 2019, includes \$500,000 of non-legally restricted cash as per the \$11.0 Million Alpha Bank Facility minimum liquidity requirements, or \$250,000 per collateralized vessel.

The annual principal payments for the Company's outstanding debt arrangements as of June 30, 2020 (including related party debt discussed under Note 3), required to be made after the balance sheet date, are as follows:

Twelve-month period ending June 30,	Amount
2021	\$ 7,200,000
2022	2,200,000
2023	2,200,000
2024	2,200,000
2025	5,750,000
Total long-term debt (including related party debt)	\$ 19,550,000

The weighted average interest rate on the Company's long-term debt for the six months ended June 30, 2020 was 5.4%.

Total interest incurred on long-term debt for the six months ended June 30, 2020, amounted to \$583,996 and is included in Interest and finance costs in the accompanying unaudited interim consolidated statements of comprehensive income/(loss) (Note 14).

7. Equity Capital Structure:

Under the Company's articles of incorporation, the Company's authorized capital stock consists of 2,000,000,000 shares, par value \$0.001 per share, of which 1,950,000,000 shares are designated as common shares and 50,000,000 shares are designated as preferred shares. For a further description of the terms and rights of the Company's capital stock and details of its previous equity transactions please refer to Note 7 of the consolidated financial statements for the year ended December 31, 2019, included in the Company's 2019 Annual Report.

Issuance of common stock in connection with the \$5.0 Million Convertible Debentures

During the period from February 20, 2020 to June 8, 2020, the Company issued 8,042,078 common shares upon the conversion of the \$5.0 Million Convertible Debentures in their entirety (see Note 6 for further discussion on this topic).

Underwritten common stock and Class A Warrants follow-on offering:

On June 23, 2020, the Company entered into an agreement with Maxim Group LLC, or Maxim, acting as underwriter pursuant to which it offered and sold 59,110,000 units, each unit consisting of (i) one common share or a pre-funded warrant to purchase one common share at an exercise price equal to \$0.01 per common share (a "Pre-Funded Warrant"), and (ii) one Class A Warrant to purchase one common share (a "Class A Warrant"), for \$0.35 per unit (or \$0.34 per unit including a pre-funded warrant), or the June Equity Offering. The June Equity Offering, which was completed on June 26, 2020, resulted in the issuance of 59,082,686 common shares (the "June Equity Offering Shares") and 59,110,000 Class A Warrants, which also included 7,710,000 over-allotment units pursuant to an over-allotment option that was exercised by Maxim on June 24, 2020. The Company raised gross and net cash proceeds from this transaction of \$20.7 million and \$18.6 million, respectively.

The Class A Warrants issued in the June Equity Offering have a term of five years and are exercisable immediately and throughout their term for \$0.35 per common share (American style option). The exercise price of the Class A Warrants is subject to appropriate adjustment in the event of certain stock dividends and distributions, stock splits, stock combinations, reclassifications or similar events affecting the Company's common shares and also upon any distributions of assets, including cash, stock or other property to existing shareholders.

CASTOR MARITIME INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in U.S. Dollars – except for share data unless otherwise stated)

7. Equity Capital Structure (continued):

Between their issuance date, being June 26, 2020 and June 30, 2020, there were no exercises of Class A Warrants and, as a result, as of June 30, 2020, 59,110,000 Class A Warrants remained unexercised and potentially issuable into common stock of the Company.

The Company accounted for the Class A Warrants as equity in accordance with the accounting guidance under ASC 815-40. The accounting guidance provides a scope exception from classifying and measuring as a financial liability a contract that would otherwise meet the definition of a derivative if the contract is both (i) indexed to the entity's own stock and (ii) meets the equity classifications conditions. The Company concluded these warrants were equity-classified since they contained no provisions which would require the Company to account for the warrants as a derivative liability, and therefore were initially measured at fair value in permanent equity with subsequent changes in fair value not measured.

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

8. Financial Instruments and Fair Value Disclosures:

The principal financial assets of the Company consist of cash at banks, restricted cash, trade accounts receivable and amounts due from related party. The principal financial liabilities of the Company consist of trade accounts payable and long-term debt (including related party debt).

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

- ? **Cash and cash equivalents, restricted cash, trade accounts receivable, amounts due from related party and trade accounts payable:** The carrying values reported in the accompanying consolidated balance sheets for those financial instruments are reasonable estimates of their fair values due to their short-term maturity nature. Cash and cash equivalents are considered Level 1 items as they represent liquid assets with short term maturities. The carrying value approximates the fair market value for interest bearing cash classified as restricted cash, non-current and is considered Level 1 item of the fair value hierarchy. The carrying value of these instruments is separately reflected in the accompanying consolidated balance sheets.
- ? **Long-term debt:** The \$11.0 Million Alpha Bank Financing and the Chailease Financial Services Facility discussed in Note 6, have a recorded value which is a reasonable estimate of their fair value due to their variable interest rate and are thus considered Level 2 items in accordance with the fair value hierarchy as LIBOR rates are observable at commonly quoted intervals for the full terms of the loans. The fair value of the fixed interest bearing \$5.0 Million Term Loan Facility, discussed in Note 3, determined through Level 2 inputs of the fair value hierarchy (quoted prices for identical or similar assets and liabilities in markets that are not active), approximates its recorded value as of June 30, 2020.

CASTOR MARITIME INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in U.S. Dollars – except for share data unless otherwise stated)

8. Financial Instruments and Fair Value Disclosures (continued):

Concentration of credit risk: Financial instruments, which potentially subject the Company to significant concentrations of credit risk, consist principally of cash and cash equivalents and trade accounts receivable. The Company places its cash and cash equivalents, consisting mostly of deposits, with high credit qualified financial institutions. The Company performs periodic evaluations of the relative credit standing of the financial institutions in which it places its deposits. The Company limits its credit risk with accounts receivable by performing ongoing credit evaluations of its customers' financial condition.

9. Commitments and contingencies:

Various claims, lawsuits, and complaints, including those involving government regulations and product liability, arise in the ordinary course of the shipping business. In addition, losses may arise from disputes with charterers, agents, insurance and other claims with suppliers relating to the operations of the Company's vessels. Currently, management is not aware of any such claims or contingent liabilities, which should be disclosed, or for which a provision should be established in the accompanying consolidated financial statements.

The Company accrues for the cost of environmental liabilities when management becomes aware that a liability is probable and is able to reasonably estimate the probable exposure. Currently, management is not aware of any such claims or contingent liabilities, which should be disclosed, or for which a provision should be established in the accompanying consolidated financial statements. The Company is covered for liabilities associated with the vessels' actions to the maximum limits as provided by Protection and Indemnity (P&I) Clubs, members of the International Group of P&I Clubs.

(a) Commitments under Contracts for BWMS Installation

On November 15, 2018, the Company entered into contracts to purchase and install ballast water management systems ("BWMS") on its dry bulk carriers, which were amended on October 20, 2019, following the acquisition of the *Magic Sun* and the *Magic Moon*. The Company expects that the BWMS installation on the *Magic Sun* will be completed during the vessel's upcoming dry-docking expected to take place in the fourth quarter of 2020, whereas, the BWMS system installations on the *Magic P* and the *Magic Moon* were granted extensions from the third quarter of 2020 to the third quarter of 2022. It is estimated that the contractual obligations related to these purchases, excluding installation costs, will be approximately €0.7 million (or \$0.8 million on the basis of a Euro/US Dollar exchange rate of €1.0000/\$1.1247 as of June 30, 2020). These costs will be capitalized and depreciated over the remainder of the life of each vessel. As of June 30, 2020, part of the BWMS equipment for the *Magic P* had been delivered to the vessel and has, thus, been included in Vessels, net in the accompanying unaudited interim consolidated balance sheet, whereas, the Company had partially advanced \$39,969 in connection with the *Magic Sun* order which is included in Prepaid expenses and other current assets in the accompanying unaudited interim consolidated balance sheet.

(b) Commitments under long-term lease contracts

During the six-months ended June 30, 2020, the Company reported lease income (gross of charterers' commissions amounting to \$282,059, which excludes the non-cash effect of amortization of deferred ballast revenue amounting to \$430,994) of \$5.2 million. The Company's future minimum contracted lease payments (gross of charterers' commissions), based on vessels' commitment to non-cancelable time charter contracts (including fixture recaps) as of June 30, 2020, was \$1.9 million, all due within the next 12 months. This amount does not include any assumed off-hire days.

CASTOR MARITIME INC.**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in U.S. Dollars – except for share data unless otherwise stated)

10. Income Taxes:

Castor and its subsidiaries are incorporated under the laws of the Republic of the Marshall Islands and they are not subject to income taxes in the Republic of the Marshall Islands. Castor's ship-owning subsidiaries are subject to registration and tonnage taxes, which have been included in Vessel operating expenses in the accompanying consolidated statements of comprehensive income/(loss). The Company and its subsidiaries were not subject to United States federal income taxation in respect of income that is derived from the international operation of ships and the performance of services directly related as they qualified for the exemption of Section 883 of the Internal Revenue Code of 1986, as amended.

11. Loss Per Share:

The Company calculates earnings/(loss) per share by dividing net income/(loss) available to common stockholders in each period by the weighted-average number of common shares outstanding during that period, after adjusting for the effect of cumulative dividends on the Series A Preferred Shares, whether or not earned, and only at periods when dividends on the Series A Preferred Shares are contractually allowed to accumulate.

Diluted earnings/(loss) per share, if applicable, reflects the potential dilution that could occur if potentially dilutive instruments were exercised, resulting in the issuance of additional shares that would then share in the Company's net income. As of June 30, 2020, securities that could potentially dilute basic loss per share that were excluded from the computation of diluted loss per share, because to do so would have been antidilutive for the period presented, were the incremental shares in connection with the 59,110,000 unexercised, as of June 30, 2020, Class A warrants (Note 7), calculated in accordance with the treasury stock method. The Company had no dilutive securities in the six month period ended June 30, 2019.

The components of the calculation of basic and diluted net loss per common share in each of the periods comprising the accompanying consolidated unaudited interim condensed statements of comprehensive income/(loss) are as follows:

	Six months ended June 30, 2019	Six months ended June 30, 2020
Net income/(loss) and comprehensive income/(loss)	\$ 316,572	\$ (404,468)
Less: Cumulative dividends on Series A Preferred Shares	(1,670,819)	—
Net loss and comprehensive loss available to common shareholders	(1,354,247)	(404,468)
Weighted average number of common shares outstanding, basic and diluted	2,400,000	8,027,649
Net loss per common share, basic and diluted	\$ (0.56)	\$ (0.05)

CASTOR MARITIME INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in U.S. Dollars – except for share data unless otherwise stated)

12. Vessel Operating and Voyage Expenses:

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

	Six months ended June 30, 2019	Six months ended June 30, 2020
Vessel Operating Expenses		
Crew & crew related costs	\$ 443,372	\$ 1,291,082
Repairs & maintenance, spares, stores, classification, chemicals & gases, paints, victualling	223,111	848,575
Lubricants	75,366	130,009
Insurances	60,884	193,912
Tonnage taxes	18,455	53,840
Other	53,072	86,918
Total vessel operating expenses	\$ 874,260	\$ 2,604,336

	Six months ended June 30, 2019	Six months ended June 30, 2020
Voyage expenses		
Brokerage commissions	\$ 33,579	\$ 66,585
Port & other expenses	11,895	55,281
Bunkers consumption	—	122,469
Loss on bunkers	12,475	15,265
Total voyage expenses	\$ 57,949	\$ 259,600

13. General and Administrative Expenses:

General and administrative expenses include costs in relation to the administration of the Company and its non-recurring public registration costs.

Company Administration Expenses: The amounts in the accompanying unaudited interim condensed consolidated statements of comprehensive income/(loss) are analyzed as follows:

	Six months ended June 30, 2019	Six months ended June 30, 2020
Audit fees	\$ 40,585	\$ 48,640
Board members and executive compensation	6,000	16,000
Other professional fees	66,835	172,996
Total	\$ 113,420	\$ 237,636

Public Registration Costs: During the six month period ended June 30, 2019, the Company incurred public registration costs of \$132,091. Public registration costs related to the costs incurred by the Company in connection with the Company's registration and listing of its 2,400,000 issued and outstanding common shares on the Nasdaq on February 11, 2019. Apart from registration and listing costs, public registration costs further include legal, consultancy and other costs incurred in connection with the subject listings.

CASTOR MARITIME INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in U.S. Dollars – except for share data unless otherwise stated)

14. Interest and Finance Costs:

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

	Six months ended June 30, 2019	Six months ended June 30, 2020
Interest on long-term debt – third parties	\$ —	\$ 374,556
Interest on long-term debt – related party (Note 3 (c))	—	151,667
Interest on convertible debt – non cash (Note 6)	—	57,773
Amortization and write-off of deferred finance charges	—	541,441
Amortization and write-off of convertible notes beneficial conversion feature	—	532,437
Other finance charges	1,554	7,954
Total	\$ 1,554	\$ 1,665,828

15. Subsequent Events:

(a) July Equity Offering: On July 15, 2020, the Company completed a registered direct offering with certain unaffiliated institutional investors pursuant to which it issued and sold an aggregate of 57,750,000 of its common shares at an offering price of \$0.30 per common share, while, in a concurrent private placement the Company issued and sold warrants to purchase up to 57,750,000 of its common shares at an exercise price of \$0.35 per common share (the “July Equity Offering”). The July Equity Offering resulted in gross proceeds to the Company of approximately \$17.3 million.

(b) Acquisition of New Panamax vessel (to be named M/V *Magic Horizon*): On July 28, 2020, the Company entered into an agreement with an unaffiliated third party for the purchase of a secondhand Panamax dry bulk carrier vessel at a gross purchase price of \$12.75 million. The Company expects to finance the vessel acquisition with cash on hand that it raised in the June Equity Offering and the July Equity Offering and delivery of the vessel from its sellers is expected to take place at the end of the third quarter or the beginning of the fourth quarter of 2020.

(c) Class A Warrants Update: Subsequent to June 30, 2020 and up to September 8, 2020, there were subsequent exercises of 3,019,500 Class A Warrants which resulted in the issuance of an equivalent number of the Company’s common shares and proceeds to the Company of approximately \$1.1 million.

(d) New Management Agreements with Castor Ships: On September 1, 2020, the Company and its shipowning subsidiaries entered into a master management agreement (the “Master Agreement”) with Castor Ships S.A. (“Castor Ships”), a company ultimately beneficially owned by the Company’s Chairman, Chief Executive Officer and Chief Financial Officer. Pursuant to the terms of the Master Agreement each of the Company’s shipowning subsidiaries also entered into separate commercial shipmanagement agreements with Castor Ships (the “Commercial Shipmanagement Agreements” and together with the Master Agreement, the “Castor Ships Management Agreements”). Under the terms of the Castor Ships Management Agreements, having all September 1, 2020 as their effective date, Castor Ships manages overall the Company’s business and provides commercial, chartering and administrative services, including, but not limited to, securing employment for the Company’s fleet, arranging and supervising the vessels’ commercial operations, handling all the Company’s vessel sale and purchase transactions, undertaking related shipping project and management advisory and support services, as well as other associated services requested from time to time by the Company and its shipowning subsidiaries. In exchange for these services, the Company and its subsidiaries will pay Castor Ships (i) a flat quarterly management fee in the amount of \$0.3 million for the management and administration of the Company’s business, (ii) a daily fee of \$250 per vessel for the provision of the services under the Commercial Shipmanagement Agreements, (iii) a commission rate of 1.25% on all charter agreements arranged by Castor Ships and (iv) a commission of 1% per transaction in connection with any sale or purchase of vessels for the Company.

CASTOR MARITIME INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in U.S. Dollars – except for share data unless otherwise stated)

15. Subsequent Events (continued):

The Castor Ships Management Agreements have a term of five years and such term automatically renews for successive five-year terms on each anniversary of the effective date, unless the agreements are terminated earlier in accordance with the provisions contained therein. In the event that the Castor Ships Management Agreements are terminated by the Company, or are terminated by Castor Ships due to a material breach of the Master Agreement by the Company or a change of control in the Company, Castor Ships shall be entitled to a termination fee equal to four times the total amount of the flat management fee and the per vessel management fees calculated on an annual basis.

(e) Revised Management Agreements with Pavimar: On September 1, 2020, the Company's shipowning subsidiaries entered into revised shipmanagement agreements with Pavimar which replaced the existing shipmanagement agreements in their entirety (the "Technical Shipmanagement Agreements"). Pursuant to the Technical Shipmanagement Agreements, effective September 1, 2020, Pavimar will continue to provide the range of technical, crewing, insurance and operational services stipulated in the previous agreements in exchange for which Pavimar will be paid a daily fee of \$600 per vessel, versus the previous daily fee of \$500 per vessel. The Pavimar Shipmanagement Agreements also provide for an automatically renewable five-year term and related termination provisions.



Castor Maritime Inc. Reports Financial Results for the Three Months and Six Months Ended June 30, 2020

Limassol, Cyprus, September 11, 2020 – Castor Maritime Inc. (NASDAQ: CTRM), (“Castor” or the “Company”), a global shipping company specializing in the ownership of dry bulk vessels, today announced its results for the three months and six months ended June 30, 2020.

Highlights of the Three Months Ended June 30, 2020:

- ? **Revenues, net: \$2.6 million for the three months ended June 30, 2020, as compared to \$1.0 million for the three months ended June 30, 2019, or a 160% period to period increase;**
- ? **Net (loss)/income: Net loss of \$144,600 for the three months ended June 30, 2020, as compared to net income of \$260,603 for the three months ended June 30, 2019;**
- ? **Loss per share: \$0.01 loss per share for the three months ended June 30, 2020, as compared to a loss per share of \$0.47 for the three months ended June 30, 2019;**
- ? **EBITDA⁽¹⁾: \$1.0 million for the three months ended June 30, 2020, as compared to \$0.4 million for the three months ended June 30, 2019, or a 150% period to period increase;**
- ? **Average fleet time charter equivalent (“TCE”)⁽¹⁾ of \$9,090 per day for the three months ended June 30, 2020, as compared to \$10,339 for the three months ended June 30, 2019, or a 12% period to period decrease;**
- ? **On June 26, 2020, successfully concluded an underwritten public offering raising gross proceeds of \$20.7 million;**
- ? **Cash and restricted cash of \$31.3 million as of June 30, 2020, or a 514% increase since December 31, 2019; and**
- ? **On June 30, 2020, announced the acquisition of the *M/V Magic Rainbow*, a 2007 Chinese-built Panamax dry bulk carrier for a purchase price of \$7.85 million from an unaffiliated third-party seller. The *M/V Magic Rainbow* was delivered to us on August 8, 2020.**

Earnings Highlights of the Six Months Ended June 30, 2020:

- ? **Revenues, net: \$5.3 million for the six months ended June 30, 2020, as compared to \$1.9 million for the six months ended June 30, 2019, or a 179% period to period increase;**
- ? **Net (loss)/income: Net loss of \$404,468 for the six months ended June 30, 2020, as compared to net income of \$316,572 for the six months ended June 30, 2019;**
- ? **Loss per share: \$0.05 loss per share for the six months ended June 30, 2020, as compared to a loss per share of \$0.56 for the six months ended June 30, 2019;**
- ? **EBITDA⁽¹⁾: \$1.9 million for the six months ended June 30, 2020, as compared to \$0.6 million for the six months ended June 30, 2019, or a 217% period to period increase; and**
- ? **Average fleet TCE⁽¹⁾ of \$10,372 per day for the six months ended June 30, 2020, as compared to \$10,071 for the six months ended June 30, 2019, or a 3% period to period increase.**

(1) EBITDA and TCE rates are not recognized measures under United States generally accepted accounting principles (“U.S. GAAP”). Please refer to Appendix B of this press release for the definition and reconciliation of these measures to the most directly comparable financial measure calculated and presented in accordance with U.S. GAAP.

Recent Business/Financial Highlights:

- ? **On July 15, 2020, we successfully concluded a registered direct offering of common shares and a concurrent private placement of warrants to purchase common shares (the “July Equity Offering”), resulting in gross proceeds of \$17.3 million; and**
- ? **On July 28, 2020, we entered, through a wholly-owned subsidiary, into an agreement to purchase a 2010 Japan-built Panamax dry bulk carrier (to be renamed *M/V Magic Horizon*), for a purchase price of \$12.75 million from an unaffiliated third-party seller, which we expect to take delivery of either at the end of the third quarter or the beginning of the fourth quarter of 2020.**

Earnings Commentary:

Second Quarter ended June 30, 2020 and 2019 Results

Time charter revenues, net of charterers’ commissions, for the three months ended June 30, 2020, increased to \$2.6 million from \$1.0 million in the same period of 2019, or a 160.0% increase. This increase reflects the addition of both the *M/V Magic Sun* and the *M/V Magic Moon* to our fleet on September 5, 2019 and October 20, 2019, respectively. These additions correspondingly increased our Available Days from 91 in 2019 to 273 in 2020, thus generating incremental revenues in the latter period. The daily TCE of our fleet for the second quarter of 2020 stood at \$9,090, as compared to a daily TCE of \$10,339 earned during the same period ended June 30, 2019, or a 12.1% decrease, reflecting primarily the lower daily net revenues earned by the *M/V Magic P* and the *M/V Magic Sun* in the three months ended June 30, 2020 compared to those generated by the *M/V Magic P* in the same period of 2019 given their exposure (when faced with charter renewal) to a charter market adversely affected by the COVID-19 pandemic.

The increase in operating expenses by \$810,523, from \$404,743 in the second quarter of 2019 to \$1,215,266 in the second quarter of 2020 as well as the increase depreciation and amortization costs by \$190,737, from \$169,959 in the second quarter of 2019 to \$360,696 in the second quarter of 2020 reflect, as discussed above, the addition to our fleet of the *M/V Magic Sun* and the *M/V Magic Moon* that correspondingly increased our Ownership days from 91 in 2019 to 273 in 2020.

Management fees in the second quarter of 2020 amounted to \$136,500, whereas, in the same period of 2019, management fees totaled \$29,120. The increase by \$107,380, or 368.8%, in management fees is due to i) the addition to our fleet of the *M/V Magic Sun* and the *M/V Magic Moon* that correspondingly increased our Ownership days from 91 in 2019 to 273 in 2020 and ii) a lesser extent, the increase in the management fee of the *M/V Magic P* to \$500 from \$320 effective January 1, 2020, in order to be aligned with that of the remaining fleet.

Daily company administration expenses were \$400 in the quarter ended June 30, 2020, compared to \$973 in the corresponding period of 2019, with the daily decrease of \$573, or 58.9%, stemming from the allocation of company administration expenses to a larger pool of vessels in the second quarter of 2020 versus the corresponding quarter of 2019. During the second quarter of 2020, we incurred interest costs in connection with our outstanding debt amounting to \$805,066, which also included the non-cash recurring amortization expenses and the non-cash accelerated amortization expenses related to deferred financing costs and to a beneficial conversion feature recognized in connection with our \$5.0 million senior unsecured convertible debentures, or our \$5.0 Million Convertible Debentures, aggregating to an amount of \$524,366, as further discussed below. We had no outstanding indebtedness in the corresponding period of 2019.

EBITDA for the three months ended June 30, 2020 was \$1.0 million compared to \$0.4 million in the same period of 2019, with the increase mainly attributable to the above discussed period-to-period increase in our operating revenues.

Recent Business and Financial Developments Commentary:

Impact of COVID-19

The COVID-19 pandemic has had and continues to have a significant negative impact on the global economy and the demand for shipping regionally as well as globally.

We believe the COVID-19 pandemic has resulted in lower dry bulk rates since March 2020 than those that could have been achieved in the absence of the virus, given the lower demand for some of the cargoes that we and our peers carry. As a result of this disruption, global economies have grounded to a halt which consequently adversely affected the derived demand for shipping transportation. As a result, two of our vessels which came up for charter renewal in the first and second quarters of 2020 were employed at comparably less favorable charter rates than those achieved during 2019 and those expected before the COVID-19 pandemic. However, from June 2020 onwards, we have seen a rebound in charter rates for the asset class we own and operate and we have been able to recharter vessels that were open for renewal at improved charter rates compared to those prevailing in the first quarter of 2020 and up to May 2020.

Our crews are also adversely affected by the COVID-19 pandemic. Due to quarantine restrictions placed on embarking and disembarking crew members as well as additional procedures required when using commercial aviation and other forms of public transportation, our crews have had difficulty embarking and disembarking on our ships. Although the restrictions have, in certain cases, delayed crew embarking and disembarking on our ships, they have not materially functionally affected our ability to crew out our vessels. Despite the fact that our ability to crew out our vessels may present operational risks that we cannot predict, we continue to monitor the situation with utmost care for the health and safety of our crew, while maximizing our efforts to ensure uninterrupted operations for our customers.

Given the uncertain nature of the socioeconomic and political circumstances arising from the COVID-19 pandemic, the duration of any business disruptions as well as any related financial impact cannot be further assessed at this point in time, but could further affect, at a lesser or more significant extent, our business, results of operations and financial condition.

Update on \$5.0 Million Convertible Debentures

As previously announced, on January 27, 2020, February 10, 2020 and February 19, 2020, we issued three convertible debentures (each, a “Convertible Debenture”) to an institutional investor (the “Investor”) in original principal amounts of \$2.0 million, \$1.5 million and \$1.5 million each. As of June 8, 2020, the Investor converted an aggregate \$5.1 million of principal and interest under the \$5.0 Million Convertible Debentures (which comprised of the full \$5.0 million principal amount and \$0.1 million of interest) for 8,042,078 common shares (the “Conversion Shares”). As a result, as of the date of this press release, the \$5.0 Million Convertible Debentures have been settled in their entirety.

June Equity Offering

On June 23, 2020, we entered into an agreement with Maxim Group LLC, or Maxim, acting as underwriter pursuant to which we offered 59,110,000 units, each unit consisting of (i) one common share or a pre-funded warrant to purchase one common share at an exercise price equal to \$0.01 per common share (a “Pre-Funded Warrant”), and (ii) one Class A Warrant to purchase one common share (a “Class A Warrant”), for \$0.35 per unit (or \$0.34 per unit including a pre-funded warrant), or the June Equity Offering. The June Equity Offering, which was completed on June 26, 2020, resulted in the issuance of 59,082,686 common shares (the “June Equity Offering Shares”) and 59,110,000 Class A Warrants with an exercise price of \$0.35 per common share. We raised gross and net cash proceeds from this transaction of \$20.7 million and \$18.6 million, respectively. Between June 26, 2020 and September 8, 2020, there were subsequent exercises of 3,019,500 Class A Warrants which resulted in the issuance of an equivalent number of common shares (the “Class A Warrant Shares”) and proceeds of approximately \$1.1 million.

Acquisition of the M/V Magic Rainbow

On June 30, 2020, we entered into an agreement to acquire the *M/V Magic Rainbow*, a 2007 Chinese-built Panamax dry bulk carrier, for a gross purchase price of \$7.85 million from an unaffiliated third-party seller. On August 8, 2020, we took delivery of the *M/V Magic Rainbow* and, on August 12, 2020, the *M/V Magic Rainbow* commenced employment under a period time charter with an expected term of minimum three months and up to a maximum of five months at a gross daily charter hire rate of \$10,300.

July Equity Offering

On July 12, 2020, we entered into a securities purchase agreement with certain unaffiliated institutional investors for the issuance and sale of an aggregate of 57,750,000 of our common shares (the “July Equity Offering Shares”) in a registered direct offering, while, in a concurrent private placement we issued and sold warrants to purchase up to 57,750,000 of our common shares at an exercise price of \$0.35 per common share. The July Equity Offering was completed on July 15, 2020 and resulted in gross proceeds of approximately \$17.3 million. We intend to use part of the net proceeds from the July Equity Offering and the June Equity Offering discussed above to finance the acquisitions of the *M/V Magic Rainbow* and the *M/V Magic Horizon*, and any other potential vessel acquisitions as relevant opportunities may arise. If we are unable to complete any vessel acquisition apart from that of the *M/V Magic Rainbow* and the *M/V Magic Horizon*, we plan to use the net proceeds of the July Equity Offering and the June Equity Offering for capital expenditures, working capital or for other general investment purposes, or a combination thereof.

Following the issuance of the Conversion Shares, the June Equity Offering Shares, the Class A Warrant Shares and the July Equity Offering Shares, we have, as of the date of this press release, 131,212,376 common shares issued and outstanding.

Acquisition of new Panamax vessel (to be renamed M/V Magic Horizon)

On July 28, 2020, we entered into an agreement to acquire a 2010 Japanese-built Panamax dry bulk carrier for a gross purchase price of \$12.75 million from an unaffiliated third-party seller. The acquisition is expected to be consummated by taking delivery of the vessel either at the end of the third quarter or the beginning of the fourth quarter of 2020.

Following delivery of this vessel, the number of the vessels in our fleet shall increase to five (5) Panamax dry bulk carriers and the size of our fleet shall have been increased by 500% since June 30, 2019.

Management Commentary:

Mr. Petros Panagiotidis, Chief Executive Officer and Chief Financial Officer of Castor commented:

"Despite the operational challenges the industry is facing with respect to the COVID-19 pandemic, we are very satisfied with our Q2 2020 performance, as we have been able to more than double our revenues compared to the same quarter last year, mainly attributed to our fleet growth. Amidst these unprecedented times, we have been able to raise substantial capital which we have partly utilised for the further expansion of our fleet, remaining committed to our growth plan. In parallel, our strong liquidity position provides us with a cushion to withstand a potentially prolonged weaker market due to the COVID-19 pandemic but also allows us to take advantage of further growth opportunities."

Liquidity / Financing / Cash Flow Commentary:

As of June 30, 2020, total cash amounted to \$31.3 million, which included \$0.5 million of non-legally restricted cash required under the \$11.0 million secured term loan financing that we concluded in November 2019. The significant improvement of our consolidated cash position as of June 30, 2020, by approximately \$26.2 million, in relation to our cash position as of December 31, 2019, was mainly the result of us concluding the June Equity Offering which resulted in net cash proceeds of \$18.6 million, as discussed above, as well as entering into certain financing arrangements within the first quarter of 2020, as further discussed below.

As of June 30, 2020, pursuant to the issuance within the first quarter of 2020 of one commercial secured credit facility amounting to \$4.5 million, our total debt (including \$5.0 million of related party debt which matures in March 2021, gross of unamortized deferred loan fees) was \$19.6 million of which \$7.2 million was repayable within one year, as compared to \$16.0 million of debt having been incurred as of December 31, 2019. During the first quarter of 2020, we also issued the \$5.0 Million Convertible Debentures, which, as of June 8, 2020, were all converted into our common shares, and thus, did not require any cash outlay from us.

During the three months ended June 30, 2020, we used cash in operating activities in the amount of \$0.4 million as compared to \$0.01 million used in the corresponding period of 2019, which represents an increase in cash used in operating activities of \$0.4 million consisting of net income after noncash items of \$0.6 million and \$0.4 million respectively plus a decrease in working capital of \$1.0 in the second quarter of 2020 versus a decrease of \$0.4 million of working capital in the corresponding quarter of 2019. As of June 30, 2020, we reported a working capital surplus of \$24.4 million (December 31, 2019: \$3.2 million).

Fleet Employment (as of September 11, 2020):

Vessel Name	DWT	Year Built	Country of construction	Daily Gross Charter Rate	Estimated Redelivery Date (Earliest/ Latest)	
<i>Magic P</i>	76,453	2004	Japan	\$9,000	December 2020	March 2021
<i>Magic Sun</i>	75,311	2001	Korea	\$12,500	November 2020	December 2020
<i>Magic Moon</i>	76,602	2005	Japan	\$9,000	September 2020	October 2020
<i>Magic Rainbow</i>	73,593	2007	China	10,300	November 2020	January 2021

Financial Results Overview:

	Three Months Ended		Six Months Ended	
	June 30, 2020 (unaudited)	June 30, 2019 (unaudited)	June 30, 2020 (unaudited)	June 30, 2019 (unaudited)
<i>(expressed in U.S. dollars)</i>				
Time charter revenues, net	\$ 2,585,659	\$ 953,667	\$ 5,310,936	\$ 1,880,723
Net (Loss) / Income	\$ (144,600)	\$ 260,603	\$ (404,468)	\$ 316,572
Operating income	\$ 659,851	\$ 249,661	\$ 1,241,992	\$ 299,378
EBITDA (1)	\$ 1,018,366	\$ 419,241	\$ 1,923,640	\$ 642,415
Loss per common share (2)	\$ (0.01)	\$ (0.47)	\$ (0.05)	\$ (0.56)

(1) EBITDA is not a recognized measure under U.S. GAAP. Please refer to Appendix B of this press release for the definition and reconciliation of this measure to the most directly comparable financial measure calculated and presented in accordance with U.S. GAAP.

(2) Loss per common share, basic and diluted, is calculated after taking into account the effect of cumulative dividends on the Series A Preferred Shares, as applicable in each period. On October 10, 2019, we reached an agreement with our Series A Preferred holders to Amend and Restate the Statement of Designations of the Series A Preferred Shares (the "Agreement"). The Agreement, amongst other amended terms, prescribed that dividends on the Series A Preferred Shares no longer accumulate during the period from July 1, 2019 up to and including December 31, 2021.

Fleet selected financial and operational data:

Set forth below are selected operational and financial statistical data of our fleet for each of the three and six months ended June 30, 2020 and 2019 that we believe are useful in better analysing trends in our results of operations:

	Three Months Ended		Six Months Ended	
	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
<i>(expressed in U.S. dollars except for operational data)</i>				
Ownership days (1)	273	91	546	181
Available days (2)	273	91	487	181
Daily TCE(3)	\$ 9,090	\$ 10,339	\$ 10,372	\$ 10,071
Fleet Utilization (4)	100.0%	100.0%	89.2%	100.0%
Daily vessel operating expenses (5)	\$ 4,452	\$ 4,448	\$ 4,770	\$ 4,830
Daily company administration expenses (6)	\$ 400	\$ 973	\$ 435	\$ 627

- (1) Ownership days are the total number of calendar days in a period during which we owned our vessel(s).
- (2) Available days are the Ownership days after subtracting off-hire days associated with major repairs, vessel upgrades, dry dockings or special or intermediate surveys and major unscheduled repair and off-hire days. Available days include ballast voyage days for which compensation has been received, if any.
- (3) Daily TCE is not a recognized measure under U.S. GAAP. Please refer to Appendix B of this press release for the definition and reconciliation of this measure to the most directly comparable financial measure calculated and presented in accordance with U.S. GAAP.
- (4) Fleet utilization is calculated by dividing the Available days (which include ballast voyage days for which compensation has been received) during a period by the number of Ownership days during that period.
- (5) Daily vessel operating expenses are calculated by dividing vessel operating expenses for the relevant period by the Ownership days for such period.
- (6) Daily company administration expenses are calculated by dividing company administration expenses during a period by the number of Ownership days during that period.

APPENDIX A

CASTOR MARITIME INC.

Unaudited Condensed Consolidated Statements of Comprehensive Income

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2020	2019	2020	2019
<i>(In U.S. dollars except for shares and per share data)</i>				
REVENUES				
Time charter revenues, net of charterers' commissions	\$ 2,585,659	\$ 953,667	\$ 5,310,936	\$ 1,880,723
EXPENSES				
Voyage expenses (including related party commissions)	(104,093)	(12,806)	(259,600)	(57,949)
Vessel operating expenses	(1,215,266)	(404,743)	(2,604,336)	(874,260)
General and administrative expenses				
- Company administration expenses	(109,253)	(88,582)	(237,636)	(113,420)
- Public registration costs	—	1,204	—	(132,091)
Management fees -related party	(136,500)	(29,120)	(273,000)	(57,920)
Depreciation and amortization	(360,696)	(169,959)	(694,372)	(345,705)
Operating income	\$ 659,851	\$ 249,661	\$ 1,241,992	\$ 299,378
Interest and finance costs, net (including related party interest costs)	(802,270)	11,321	(1,633,736)	19,862
Other expenses	(2,181)	(379)	(12,724)	(2,668)
Net (loss) / income	\$ (144,600)	\$ 260,603	\$ (404,468)	\$ 316,572
Loss per common share (1) (basic and diluted)	\$ (0.01)	\$ (0.47)	\$ (0.05)	\$ (0.56)
Weighted average number of Common shares outstanding, basic and diluted:				
Common shares	12,224,266	2,400,000	8,027,649	2,400,000

(1) Loss per common share, basic and diluted, for the three and six months ended June 30, 2019, is calculated after taking into account the effect of accrued cumulative dividends on the Series A Preferred Shares. Following our entry into the Agreement, all dividend payment obligations on the Series A Preferred Shares have been waived during the period from July 1, 2019 until December 31, 2021.

CASTOR MARITIME INC.

Consolidated Condensed Balance Sheets and Cash Flow Data (unaudited)
(Expressed in U.S. Dollars—except for share data)

	June 30, 2020	December 31, 2019
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 30,754,641	\$ 4,558,939
Due from related party	470,848	759,386
Other current assets	1,548,253	902,572
Total current assets	32,773,742	6,220,897
NON-CURRENT ASSETS:		
Vessels, net	23,523,913	23,700,029
Other non-currents assets	1,231,074	500,000
Total non-current assets, net	24,754,987	24,200,029
Total assets	57,528,729	30,420,926
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Current portion of long-term debt, net –including related party	7,091,062	1,522,895
Trade payables	373,604	410,592
Accrued liabilities	934,087	556,248
Deferred Revenue	—	493,015
Total current liabilities	8,398,753	2,982,750
NON-CURRENT LIABILITIES:		
Long-term debt, net -including related party	12,137,158	14,234,165
Total non-current liabilities	12,137,158	14,234,165
Total Liabilities	20,535,911	17,216,915
SHAREHOLDERS' EQUITY		
Common shares, \$0.001 par value; 1,950,000,000 shares authorized; 70,442,876 and 3,318,112 shares, issued and outstanding as at June 30, 2020 and December 31, 2019, respectively	70,443	3,318
Series A Preferred Shares- 480,000 shares issued and outstanding as at June 30, 2020 and December 31, 2019, respectively	480	480
Series B Preferred Shares- 12,000 shares issued and outstanding as at June 30, 2020 and December 31, 2019, respectively	12	12
Additional paid-in capital	36,889,553	12,763,403
Retained Earnings	32,330	436,798
Total shareholders' equity	36,992,818	13,204,011
Total liabilities and shareholders' equity	\$ 57,528,729	\$ 30,420,926

CASH FLOW DATA	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2020	2019	2020	2019
Net cash (used in) / provided by operating activities	\$ (427,817)	\$ (12,415)	\$ (390,619)	\$ 738,963
Net cash used in investing activities	(40,713)	—	(388,635)	—
Net cash provided by / (used in) financing activities	\$ 18,307,470	\$ (40,250)	\$ 26,974,956	\$ (40,250)

APPENDIX B

Non-GAAP Financial Information

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

<i>(In U.S. dollars, except for Available Days)</i>	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2020	2019	2020	2019
Time charter revenues, net	\$ 2,585,659	\$ 953,667	\$ 5,310,936	\$ 1,880,723
Voyage Expenses (including related party commissions)	(104,093)	(12,806)	(259,600)	(57,949)
TCE revenues	\$ 2,481,566	\$ 940,861	\$ 5,051,336	\$ 1,822,774
Available Days	273	91	487	181
TCE rate	\$ 9,090	\$ 10,339	\$ 10,372	\$ 10,071

EBITDA. We define EBITDA as earnings before interest and finance costs (if any), net of interest income, taxes (when incurred), depreciation and amortization of deferred dry docking costs. EBITDA is used as a supplemental financial measure by management and external users of financial statements, such as investors, to assess our operating performance. We believe that EBITDA assists our management and investors by providing useful information that increases the comparability of our performance operating from period to period and against the operating performance of other companies in our industry that provide EBITDA information. This increased comparability is achieved by excluding the potentially disparate effects between periods or companies of interest, other financial items, depreciation and amortization and taxes, which items are affected by various and possibly changing financing methods, capital structure and historical cost basis and which items may significantly affect net income between periods. We believe that including EBITDA as a measure of operating performance benefits investors in (a) selecting between investing in us and other investment alternatives and (b) monitoring our ongoing financial and operational strength. EBITDA is not a measure of financial performance under U.S. GAAP, does not represent and should not be considered as an alternative to net income, operating income, cash flow from operating activities or any other measure of financial performance presented in accordance with U.S. GAAP. Therefore, EBITDA as presented below may not be comparable to similarly titled measures of other companies. The following table reconciles EBITDA to net income, the most directly comparable U.S. GAAP financial measure, for the periods presented:

Reconciliation of Net (Loss)/Income to EBITDA

<i>(In U.S. dollars)</i>	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2020	2019	2020	2019
Net (Loss) / Income	\$ (144,600)	\$ 260,603	\$ (404,468)	\$ 316,572
Depreciation and amortization	360,696	169,959	694,372	345,705
Interest and finance costs, net (including amortization of deferred financing costs and beneficial conversion feature)	802,270	(11,321)	1,633,736	(19,862)
EBITDA	\$ 1,018,366	\$ 419,241	\$ 1,923,640	\$ 642,415

Cautionary Statement Regarding Forward-Looking Statements

Matters discussed in this press release may constitute forward-looking statements. The Private Securities Litigation Reform Act of 1995 provides safe harbor protections for forward-looking statements in order to encourage companies to provide prospective information about their business. Forward-looking statements include statements concerning plans, objectives, goals, strategies, future events or performance, and underlying assumptions and other statements, which are other than statements of historical facts. We desire to take advantage of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 and are including this cautionary statement in connection with this safe harbor legislation. The words “believe,” “anticipate,” “intend,” “estimate,” “forecast,” “project,” “plan,” “potential,” “will,” “may,” “should,” “expect,” “pending” and similar expressions identify forward-looking statements. The forward-looking statements in this press release are based upon various assumptions, many of which are based, in turn, upon further assumptions, including without limitation, our management’s examination of historical operating trends, data contained in our records and other data available from third parties. Although we believe that these assumptions were reasonable when made, because these assumptions are inherently subject to significant uncertainties and contingencies which are difficult or impossible to predict and are beyond our control, we cannot assure you that we will achieve or accomplish these expectations, beliefs or projections. We undertake no obligation to update any forward-looking statement, whether as a result of new information, future events or otherwise. In addition to these important factors, other important factors that, in our view, could cause actual results to differ materially from those discussed in the forward-looking statements include general dry bulk shipping market conditions, including fluctuations in charterhire rates and vessel values, the strength of world economies the stability of Europe and the Euro, fluctuations in interest rates and foreign exchange rates, changes in demand in the dry bulk shipping industry, including the market for our vessels, changes in our operating expenses, including bunker prices, dry docking and insurance costs, changes in governmental rules and regulations or actions taken by regulatory authorities, potential liability from pending or future litigation, general domestic and international political conditions, potential disruption of shipping routes due to accidents or political events, the length and severity of the COVID-19 outbreak, the impact of public health threats and outbreaks of other highly communicable diseases, the impact of the expected discontinuance of LIBOR after 2021 on interest rates of our debt that reference LIBOR, the availability of financing and refinancing and grow our business, vessel breakdowns and instances of off-hire, risks associated with vessel construction, potential exposure or loss from investment in derivative instruments, potential conflicts of interest involving our Chief Executive Officer, his family and other members of our senior management, and our ability to complete acquisition transactions as planned. Please see our filings with the Securities and Exchange Commission for a more complete discussion of these and other risks and uncertainties. The information set forth herein speaks only as of the date hereof, and we disclaim any intention or obligation to update any forward-looking statements as a result of developments occurring after the date of this communication.

CONTACT DETAILS

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MASTER MANAGEMENT AGREEMENT

THIS AGREEMENT (the “**Agreement**”) dated this 1st day of September 2020 (the “**Effective Date**”) is made between:

- (1) **CASTOR SHIPS S.A.**, a Marshall Islands corporation having its registered office at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands, MH 96960 and having established a branch office in Greece pursuant to the provisions of art. 25 of Law 27/1975 (formerly law 89/1967) at 25 Foinikos Street, 14564 Nea Kifisia, Athens, Greece (the “**Manager**”);
- (2) **CASTOR MARITIME INC.**, a Marshall Islands corporation having its registered office at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands, MH 96960 and whose common stock has been registered pursuant to Section 12(b) of the United States Securities Exchange Act of 1934, as amended, (the “**U.S. Exchange Act**”) and is listed on the Nasdaq Capital Market under the trading symbol “CTRM” (the “**Listed Company**”);
- (3) The shipowning corporations listed in Schedule A hereto (as such list of corporations may be supplemented and/or amended from time to time, the “**Shipowning Subsidiaries**” and, together with the Listed Company, the “**Company**”);

WHEREAS:

- (A) The Listed Company directly or indirectly wholly or partially owns or will wholly or partially own the Shipowning Subsidiaries identified in Schedule A hereto, as such Schedule A may be amended from time to time, each of which owns or charters in or will own or charter in one or more vessels (the “**Vessels**”).
- (B) The Manager has the benefit of expertise mainly in the commercial management of vessels, administration and representation of shipowning companies as well as shipping project procurement and sourcing.
- (C) The Listed Company and the Manager desire to enter into and adopt this Agreement, pursuant to which the Manager shall undertake the commercial management of the Vessels, as well as manage the business and provide administrative and project management services and any other kind of services, requested from time to time, to the Shipowning Subsidiaries and the Listed Company in connection with the Shipowning Subsidiaries.

1. Interpretation

In this Agreement, unless the context otherwise requires:

“**Affiliate**” of any specified Person (as defined below) means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For the purposes of this definition, “control” when used with respect to any specified Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms “controlling” and “controlled” have meanings correlative to the foregoing.

“**Board of Directors**” means the Board of Directors of the Listed Company as the same may be constituted from time to time.

“**Business Day**” means a day (excluding Saturdays and Sundays) on which banks are open for business in Greece, Cyprus and New York.

“**Change in Control Transaction in the Listed Company**” means the consummation, following the Effective Date, of any of the following transactions:

a. the acquisition, directly or indirectly, by any Person, or any Persons acting as a “group” within the meaning of Section I 3(d)(3) of the U.S. Exchange Act of beneficial ownership (within the meaning of Rule 13d-3 of the U.S. Exchange Act), other than the Permitted Holders (as defined below), of securities of the Listed Company representing more than 30% of the total combined voting power of the Listed Company’s then outstanding securities entitled to vote in the election of the directors of the Listed Company (the “**Voting Shares**”);

b. the Listed Company disposing of all or substantially all of its assets;

c. the merger of the Listed Company with or into another corporation or any other transaction in which securities possessing more than 30% of the total combined Voting Shares of the Listed Company are transferred to a Person or Persons different from the Permitted Holders; or

d. the Board of Directors, by resolution duly adopted by the affirmative vote of a simple majority of the votes cast by the Board of Directors, determines that for the purposes of this Agreement, a Change in Control Transaction in the Listed Company has occurred; or

e. Mr. Petros Panagiotidis ceases to be the Chief Executive Officer of the Listed Company; or

f. there is a change in boardroom control of the Listed Company. A change in boardroom control for the purpose of this clause shall mean a change in the directors of the Board of Directors of the Listed Company such that the majority of directors on the Board of Directors following such change are directors who were not directors immediately following the Effective Date.

A transaction shall not constitute a Change in Control Transaction if its sole purpose is to change the state of the Listed Company's incorporation or to create a holding company that will be owned in substantially the same proportions by the Permitted Holders.

"Co-Manager" means PAVIMAR S.A., a corporation incorporated under the Laws of the Republic of the Marshall Islands, which has established a branch office in Greece in accordance with the provisions of article 25 of Law 27/1975 and has undertaken the technical and operational management of the Vessels.

"Commission Fees" shall have the meaning set forth in paragraph 6.6.

"Dispute" shall have the meaning set forth in paragraph 11.1.

"Effective Date" shall have the meaning set forth in the Preamble.

"Flat Management Fee" shall have the meaning set forth in paragraph 6.1.2.

"Management Fees" shall have the meaning set forth in paragraph 6.1.

"Management Services" shall have the meaning set forth in paragraph 5.1.

"Manager Related Parties" shall have the meaning set forth in paragraph 8.1.

"Newbuild" means a new vessel to be or which has just been construed, or is under construction, which a Shipowning Subsidiary (as defined below) has agreed to acquire pursuant to a shipbuilding contract, memorandum of agreement or otherwise.

"Per Vessel Management Fees" shall have the meaning set forth in paragraph 6.1.1.

"Permitted Holders" means (i) Mr. Petros Panagiotidis and/or his ascendants, descendants and/or other immediate family member; (ii) any controlled Affiliate of any of the foregoing; (iii) in the event of the incompetence or death of any of the Persons described in sub-clause (i), such Person's estate, executor, administrator, committee or other personal representative, in each case who at any particular date will beneficially own or have the right to acquire, directly or indirectly, capital stock or Voting Shares of the Listed Company owned by such Person; or (iv) any trusts, general partnerships or limited partnerships created for the benefit of the Persons described in sub-clauses (i) or (iii) or any trust for the benefit of any such trust, general partnership or limited partnership.

"Person" means any individual, corporation, limited liability company, partnership, joint venture, association, joint-stock company, trust, unincorporated organization or government or any agency or political subdivision thereof.

"Reimbursable Expenses" shall have the meaning set forth in paragraph 6.4.

"Shipmanagement Agreements" means the management agreements that shall be entered into between, on the one hand, the Manager and each of the Shipowning Subsidiaries and, on the other hand, the Co-Manager and each of the Shipowning Subsidiaries, substantially in the form of Shipman 98 (or such other form of management agreement that may be agreed between the Parties from time to time).

“**Shipowning Subsidiaries**” shall have the meaning set forth in the Preamble.

“**Sub-manager**” shall have the meaning set forth in paragraph 4.6.

“**Term**” shall have the meaning set forth in paragraph 2.3.

“**Termination Fee**” shall be equal to four (4) times the total amount of the Flat Management Fee calculated on an annual basis (i.e. four (4) times the quarterly Flat Management Fee applicable in the calendar year during which the termination takes place multiplied by four (4)) and is additional to the termination fee provided under the Shipmanagement Agreements. The Parties hereby agree that the Termination Fee is reasonable, proportionate and customary for management contracts of this type with publicly listed shipping companies and their respective subsidiaries especially in view of the agreed Term and considering the investment, the personnel and other resources that the Manager is required to maintain for the purposes of performing its obligations under this Agreement and the Shipmanagement Agreements.

“**Vessels**” shall have the meaning set forth in the recitals.

2. Appointment and Term

2.1. The Listed Company hereby appoints the Manager to act as manager and perform the Management Services set forth in clause 5 hereto and the Manager hereby agrees to perform the Management Services, subject to the terms and conditions set out in this Agreement.

2.2. To the extent that the Manager acts as manager of any Shipowning Subsidiary, the Manager shall be appointed by each Shipowning Subsidiary, pursuant to the provisions of paragraph 3.2. hereto, as the commercial manager of each Shipowning Subsidiary’s Vessel on the terms and conditions of the relevant Shipmanagement Agreement and shall provide to the Listed Company and the Shipowning Subsidiaries the Management Services, always in accordance with the terms of this Agreement and the Shipmanagement Agreements.

2.3. This Agreement shall be effective as of the Effective Date and shall continue to be in full force and effect for a term of five (5) years commencing on the Effective Date, and such term shall be automatically renewed annually for the subsequent five (5) years on each anniversary of the Effective Date (starting from the first anniversary of the Effective Date), unless this Agreement is terminated earlier in accordance with the provisions of clause 7 below (the “**Term**”).

3. The Listed Company's General Obligations

3.1. The Listed Company shall notify the Manager and the Co-Manager as soon as possible of any purchase of any vessel (whether the same is a second-hand vessel or a Newbuild), the delivery of any Newbuild from the relevant builder or intermediate seller to the relevant Shipowning Subsidiary to take ownership of such Newbuild, the agreement to acquire any Newbuild, the sale of any Vessels, Newbuilds or Shipowning Subsidiaries, the purchase or creation of any direct or indirect Shipowning Subsidiary or the sale or divestiture of any Shipowning Subsidiary, and Schedule A hereto shall be amended to be reflective of any such development. Such amended Schedule A shall be effective on any such day as mutually agreed by the Listed Company and the Manager.

3.2. The Listed Company shall procure that each of the Shipowning Subsidiaries listed, from time to time, on Schedule A shall enter into separate Shipmanagement Agreements with the Manager and the Co-Manager, appointing the Manager as the commercial manager of the Vessels and the Co-manager as the technical and operational manager of the Vessels, with such alterations and additions as may be agreed by the Manager, the Co-Manager and each Shipowning Subsidiary to be appropriate.

3.3. The Listed Company shall pay, or shall cause any Shipowning Subsidiary to pay, all sums due to the Manager punctually in accordance with the terms of this Agreement and/or any Shipmanagement Agreement.

3.4. The Listed Company shall procure that each Shipowning Subsidiary (a) performs its obligations under the respective Shipmanagement Agreement to which it is a party and (b) does not take any action or omits to take any action the effect of which is to cause the Listed Company, the Manager, the Co-Manager or any Sub-manager to be in breach of this Agreement and/or any Shipmanagement Agreement.

4. The Manager's General Rights and Obligations

4.1. In the exercise of its duties hereunder, the Manager shall act fully in accordance with the reasonable policies, guidelines and instructions from time to time communicated to it in writing by the Company, exercising skill and diligence to carry out its duties under this Agreement and/or each Shipmanagement Agreement according to sound commercial shipmanagement standards.

4.2. The Manager acknowledges that the services it will provide pursuant to the Shipmanagement Agreements are not limited to the services provided in such and include also those set forth in this Agreement.

4.3. Notwithstanding anything to the contrary contained in this Agreement or any Shipmanagement Agreement, the Manager agrees that any and all decisions of a material nature relating to the Company or any Vessel shall be reserved to the Listed Company.

4.4. During the Term, the Manager shall promote the business of the Company in accordance with the directions of the authorized representative of the Listed Company and shall at all times use its best efforts to conform to and comply with the lawful and reasonable directions, regulations or recommendations made by such authorized representative.

4.5. During the Term hereof, the parties agree that the Manager shall provide the Management Services set forth in this Agreement to the Company on a non-exclusive basis and may provide similar services to entities other than the Company.

4.6. The Manager may, upon prior notice to the Company, appoint any person or corporate entity (a “**Sub-manager**”), at any time throughout the duration of this Agreement, to perform such parts of the Management Services as may seem convenient or appropriate to the Manager;

5. Services

5.1. In consideration of the payment of the Management Fees, the Manager shall, on its own or through a Sub-manager, provide the following services to the Company (the “**Management Services**”), which include:

- (a) The services provided in the Shipmanagement Agreements that shall be concluded between the Manager and each Shipowning Subsidiary. Namely, such services include *inter alia*:
 - (i) Seek employment for the Vessels and negotiate, arrange and conclude chartering or other employment of the Vessels (and keep the Board of Directors and the Board of Directors of the relevant Shipowning Subsidiary informed on a regular basis with regards to the employment and location of the Vessel) and supervise the performance of the charterparties, contracts of affreightment or any other contract of employment of the Vessels including without limitation the receipt of freights and hires, calculation of laytime, receipt of collection of dispatch and demurrage, damages for detention and the payment of damages arising out of or in connection with such;
 - (ii) Issue voyage estimates for the Vessels under their charterparties or other contract of employment;
 - (iii) Seek suitable vessels or fleets of vessels for purchase and/or determine Vessels for sale by the Shipowning Subsidiaries, negotiate the terms of such purchase or sale (including without limitation with shipyards, banks and financial institutions in the case of vessels taken over by such institutions and participate in auctions of vessels) and enter into such binding agreements after receiving express authority by the Listed Company and the relevant Shipowning Subsidiary to do so;
 - (iv) Inspect vessels worldwide or appoint professional inspectors at its discretion, obtain valuations either for internal purposes or upon the request of financial institutions, visit and inspect the Vessels at its discretion to monitor their condition and report to the Company, assess, review and advise the Company as to the value of the fleet and whether such is affected by deficiencies, breakdowns, structural modifications and/or propose permanent installations on the Vessels.
 - (v) Handle and settle all claims arising out of the provision of the services provided under the Shipmanagement Agreements and keep the Company informed regarding any incident of which the Managers become aware which gives or may give rise to claims or disputes involving third parties;
 - (vi) Initiate legal proceedings or defend actions, suits or other legal proceedings in connection with matters entrusted to the Manager under the Shipmanagement Agreements and in accordance with the Company’s instructions;

- (vii) Obtain legal or technical or other kind of independent expert advice in relation to the handling and settlement of claims and disputes or any and all other matters affecting the interests of the Company in respect of the Vessels;
 - (viii) Provide general administrative, office and support services to the Shipowning Subsidiaries necessary for the commercial management of the Vessels, including without limitation the employment of clerical personnel, accountants and managerial staff;
 - (ix) Establish an accounting system, in accordance with the reasonable requirements of the Company and provide regular accounting services to the Shipowning Subsidiaries in relation to the Vessels as well as supply regular reports and records;
 - (x) Maintain the records of all costs and expenditure incurred in the context of the provision of the services under the Shipmanagement Agreements, as well as data necessary or proper for the settlement of accounts between the Manager and the Shipowning Subsidiaries;
- (b) In addition to the above, the Manager shall provide to the Company the services provided below:
- (i) Represent the Shipowning Subsidiaries before any competent Authority in Greece, including without limitation Tax Authorities, Civil, Criminal and Administrative Courts, Ministries etc.;
 - (ii) Settle and pay off any debt of the Shipowning Subsidiaries in Greece and abroad;
 - (iii) Arrange the tax responsibilities of the Vessels and pay any relevant tax and levy as well as legally dispute the legitimacy of any taxes, charges and fines etc. imposed on the Vessels;
 - (iv) Keep separate books, records and accounts relating to all the activities of each Shipowning Subsidiary and Vessel and the Listed Company, in accordance with the instructions of the Listed Company's internal auditor and shipping accounting practice, in order to comply with the requirements of any stock exchange on which all or any part of the Listed Company's share capital is listed and all applicable laws and regulations;
 - (v) Audit, open and operate bank accounts in Greece and abroad in the name of the Shipowning Subsidiaries and the Listed Company on foreign currencies, as well as proceed to any payments and receipts;
 - (vi) Undertake all functions, duties and obligations of the secretary of each Shipowning Subsidiary in accordance with the laws and regulations of their respective places of incorporation and any other law applicable to the Shipowning Subsidiaries including without limitation the convocation of Board Meetings and General Meetings of the Shareholders of the Shipowning Subsidiaries and the Listed Company, the drafting of the Balance Sheets and Income Statements of the Shipowning Subsidiaries etc.;
 - (vii) Provide to the Board of Directors and the Board of Directors of each Shipowning Subsidiary planning, managerial and advisory services in respect of the whole operations of the Shipowning Subsidiaries;

- (viii) Advise the Board of Directors in connection with the borrowing and lending arrangements of the Shipowning Subsidiaries and the Listed Company and negotiate such borrowing and lending arrangements; negotiate the financing for the operation of the Vessels and for the acquisition of a vessel by a Shipowning Subsidiary and enter into such binding agreements after receiving express authority by the Listed Company and the relevant Shipowning Subsidiary to do so;
- (ix) Prepare and submit all documents and returns requested by the Listed Company in order for such to comply with the requirements of the Securities Exchange Commission or NASDAQ or the Norwegian Over-the-Counter (NOTC) market or for any other reason whatsoever;
- (x) Appoint and revoke agents anywhere in the world for the provisions of any necessary services to the Company, remit payments to the aforementioned appointed agents in connection with their expenses and fees and audit the respective accounts provided by the agents.
- (xi) Receive, review and follow up annual budgets prepared by the Co-Manager in connection with the technical management of the Vessels including without limitation a proposed budget for capital expenditures, repairs or alterations, dry-docking together with an analysis as to the reason and the timing that these replacements, improvements, renovations or expenditures are required, and if requested by the Board of Directors or the Board of Directors of the Shipowning Subsidiaries, provide monthly statements of accounts and quarterly statement of account analysis of operating income and expenses as well as such other statements, special reports, memoranda and original and copies of documents as the Board of Directors or the Board of Directors of the relevant Shipowning Subsidiary may reasonable require to be available for inspection at all times;
- (xii) Provide any other service that may be necessary for the operation of the Vessels and/or the business of the Company as well as any other service requested by the Company.

5.2. It is expressly agreed that the Company may not necessarily require the Manager to provide to the Company all the services mentioned in the preceding paragraph. In addition, some of the aforementioned services may be delegated, at the discretion of the Company, to the Co-Manager, or any other service provider with the relevant expertise and experience, selected by the Company.

6. Manager's Remuneration and Expenses

6.1. In consideration of the Management Services provided by the Manager to the Company under this Agreement and the relevant Shipmanagement Agreements, the following fees calculated from the Effective Date shall be paid to the Manager:

- 6.1.1. US\$ 250 per Vessel per day (the "**Per Vessel Management Fees**"), accrued on a daily basis, for the provision of the services provided in the Shipmanagement Agreements;

6.1.2. US\$ 300,000 per quarter during the Term of this Agreement which is an amount expressly agreed to compensate the Manager for the Management Services, as provided in this Agreement, which are not covered by the services provided under the separate Shipmanagement Agreements, (the “**Flat Management Fee**” and collectively with the Per Vessel Management Fees, the “**Management Fees**”).

6.2. The Per Vessel Management Fees shall be paid to the Manager by the relevant Shipowning Subsidiary by monthly installments in advance, within the first five (5) Business Days of each calendar month. The Manager shall have the right to demand payment of the Management Fees in relation to each Vessel from the Listed Company in case the relevant Shipowning Subsidiary is in default of paying the Per Vessel Management Fees. The Listed Company hereby unconditionally and irrevocably guarantees to the Manager the payment of the Per Vessel Management Fees and the performance of all other obligations of each Shipowning Subsidiary under the terms of each Shipmanagement Agreements in case of default of the relevant Shipowning Subsidiary waiving the benefit of division or discussion and any other right or benefit granted by applicable law to a guarantor.

6.3. Unless otherwise agreed, the Flat Management Fee shall be paid by the Listed Company in advance at the beginning of each quarter. The Flat Management Fee will be due and payable on the first Business Day of January, April, July and October of each year. For the current year 2020, the Flat Management Fee from the Effective Date until and including the 30th of September 2020, i.e. US\$ 100,000, shall be due and payable on the first ten (10) Business Days of September while the Flat Management Fee corresponding to the fourth quarter of 2020 shall be due and payable as per the above provisions of this paragraph.

6.4. The Company hereby agrees to reimburse the Manager for all reasonable and documented out-of-pocket costs and expenses, including but not limited to travelling, accounting, auditing, legal assistance and all extraordinary expenses, actually paid or incurred by the Manager in connection with the provision of the Management Services (the “**Reimbursable Expenses**”).

6.5. The Management Fees, may be increased from time to time and additional fees may also be agreed to be payable by the Listed Company to the Manager for services provided by the Manager on a case by case basis. The Flat Management Fee agreed as of the date hereof shall be applicable for as long as the Manager manages up to ten (10) Vessels and shall be increased thereafter by mutual agreement between the Listed Company and the Manager.

6.6. In addition to the Management Fees, the Manager shall charge and receive the following commissions:

- (i) Chartering commission at the rate of 1.25% in relation to the chartering of the Vessels; and
- (ii) Sale and purchase brokerage commission at the rate of 1% per transaction.

(collectively, the “**Commission Fees**”)

6.7. The Manager shall bear and pay the remuneration, however described, of any Sub-manager.

7. Termination of this Agreement

7.1. This Agreement, unless otherwise agreed in writing between the parties hereto, shall be terminated as follows:

- (a) The parties hereto may terminate this Agreement by mutual agreement in writing at any time.
- (b) This Agreement shall automatically terminate in case:
 - (i) the establishment license of the Manager's branch office in Greece to operate by virtue of the provisions of art. 25 of Law 27/1975 is revoked, as of the date of publication of the relevant Ministerial Decision on the Government Gazette;
 - (ii) the Manager ceases its business in Greece or a resolution is passed or an order is made for the purpose of winding up the Manager.
- (c) The Manager may terminate this Agreement as follows:
 - (i) Upon giving three (3) month's prior written notice to the Company;
 - (ii) Upon giving fifteen (15) Business Days prior written notice to the Company for material breach of the Listed Company's and/or any Shipowning Subsidiary's obligations under this Agreement; if the breach may be remedied by the Listed Company and/or the Shipowning Subsidiary, the Manager may terminate this Agreement upon giving fifteen (15) Business Days prior written notice to the Listed Company and/or the relevant Shipowning Subsidiary to remedy the breach and failing to do so may proceed with the termination of this Agreement in accordance with the provisions of this sub-paragraph;
 - (iii) Upon giving fifteen (15) Business Days prior written notice to the Company in case of a Change in Control Transaction in the Listed Company. Any such notice must be given within six (6) months as of the completion of the Change in Control Transaction in the Listed Company.
- (d) The Company may terminate this Agreement as follows:
 - (i) Upon giving three (3) month's prior written notice to the Manager;
 - (ii) Upon giving fifteen (15) Business Days prior written notice to the Manager, if the Manager is proven to be unable or to have otherwise failed to perform any or all of the services to a material extent for a continuous period of two (2) months and provided that the Manager fails to perform the services within the notice period.

7.2. In case of termination of this Agreement in accordance with any of the provisions of paragraph 7.1 the Company shall pay to the Manager on the date of termination: (i) any and all accrued Management Fees and the Reimbursable Expenses of the Manager up to the date of termination and (ii) in advance any and all Commission Fees for any outstanding chartering and/or sale and purchase transaction that was agreed by the Company prior to the date of termination and has not yet been performed on the date of termination, as if such transaction had been performed (namely all such Commission Fees up until the end of the agreed duration of a respective charterparty or up until the completion of the respective sale and purchase transaction shall be due and payable to the Manager on the date of termination). Moreover, in case this Agreement is terminated in accordance with the provisions of paragraphs 7.1.(c)(ii), 7.1.(c)(iii) and 7.1.(d)(i) the Company shall pay in addition to the Manager the Termination Fee. For the avoidance of any doubt, in case of termination of this Agreement in accordance with any of the provisions of paragraph 7.1 the Listed Company and the Shipowning Subsidiaries shall be jointly and severally liable to pay the accrued Management Fees, the Commission Fees, the Reimbursable Expenses and the Termination Fee (where applicable) to the Manager.

7.3. Upon termination of this Agreement in accordance with the provisions of this clause 7, the Manager shall promptly terminate its services under this Agreement and the Shipmanagement Agreements, if so requested, in order to minimize any interruption to the business of the Company.

7.4. With respect to the termination of the Shipmanagement Agreements, applicable are clauses 17 and 18 of the Shipmanagement Agreements.

7.5. For the avoidance of doubt, the termination of this Agreement shall not affect the legal relationships between the Company and the Co-Manager, which shall be governed by the respective agreements between such parties.

8. Liability and Indemnity

8.1. The Manager and any Sub-manager, including their officers, directors, employees, shareholders, agents and sub-contractors (the “**Manager Related Parties**”), shall be under no liability whatsoever to the Company or to any third party (including the Vessels’ crew) for any loss, damage, delay or expense of whatsoever nature, whether direct or indirect (including but not limited to loss of profit arising out of or in connection with detention of or delay to a Vessel), and howsoever arising in the course of the performance of this Agreement, or any Shipmanagement Agreement, unless and to the extent that the same is proved to have resulted solely from the gross negligence or willful misconduct of the Manager or any Sub-manager or the Manager Related Parties.

8.2. The Company shall indemnify and hold harmless the Manager, Sub-Manager and the Manager Related Parties against all actions, proceedings, claims, demands or liabilities whatsoever or howsoever arising which may be brought against them or incurred or suffered by them arising out of or in connection with the performance of this Agreement or any Shipmanagement Agreement and in respect of any loss, damage, delay or expense of whatsoever nature (including legal costs and expenses on a full indemnity basis), whether direct or indirect, incurred or suffered by the Manager, Sub-Manager and the Manager Related Parties arising out of or in connection with the performance of this Agreement or any Shipmanagement Agreement, unless incurred or suffered due to the gross negligence or willful misconduct of the Manager, Sub-Manager and the Manager Related Parties.

8.3. The provisions of this clause 8 shall survive any termination of this Agreement.

9. **Notices.** Any notice, request, demand or other communication under this Agreement shall:

- (a) be in writing delivered personally or by courier or shall be served through a process server;
- (b) be deemed to have been received, subject as otherwise provided in this Agreement in the case of a letter when delivered personally or through courier or served through a process server at the address below; and
- (c) be sent:
 - (i) If to the Company, to:
Castor Maritime Inc.
223 Christodoulou Chatzipavlou Street
Hawaii Royal Gardens,
Limassol 3036,
Cyprus
 - (ii) If to the Manager, to:
Castor Ships S.A.
25 Foinikos Street, 14564 Nea Kifisia,
Athens, Greece

or to such other person or address, as is notified by the relevant party to the other party to this Agreement and such notification shall not become effective until notice of such change is actually received by the other party. Until such change of person or address is notified, any notification to the above addresses are agreed to be validly effected for the purposes of this Agreement.

10. **Assignment.** This Agreement, and the Manager's rights and obligations hereunder, may not be assigned by the Manager; any purported assignment in violation hereof shall be null and void. This Agreement, and the Company's rights and obligations hereunder, may not be assigned by the Company; provided, however, that in the event of any sale, transfer or other disposition of all or substantially all of the Company's assets and business, whether by merger, consolidation or otherwise, the Company shall assign this Agreement and its rights hereunder to the successor to its assets and business.

11. **Governing Law and Jurisdiction.**

11.1. This Agreement and any dispute or claim arising out of or in connection with it or its subject matter or formation, including a dispute relating to the existence, validity or termination of this Agreement or any non-contractual disputes or claims (a "**Dispute**") shall be governed by Greek law.

11.2. Subject to paragraph 11.3, the courts of Courts of Piraeus, Greece shall have exclusive jurisdiction to settle any Dispute.

11.3. Paragraph 11.2 is for the exclusive benefit of the Manager, who reserves the right: (a) to commence proceedings in relation to any Dispute in the courts of any country other than Greece and which may have or claim jurisdiction to that Dispute; and (b) to commence such proceedings in the courts of any such country or countries concurrently with or in addition to proceedings in Piraeus, Greece or without commencing proceedings in Piraeus, Greece. The Company shall not commence any proceedings in any country other than Greece in relation to a Dispute.

12. Miscellaneous

12.1. Entire Agreement. This Agreement and the Shipmanagement Agreements constitute the entire agreement of the parties relating to the matters contained herein, superseding all prior contracts or agreements, whether oral or written, relating to the matters contained herein.

12.2. Amendments. This Agreement may be amended, superseded, canceled, renewed or extended and the terms hereof may be waived, only by a written instrument signed by the parties.

12.3. Independent Contractor. All services provided hereunder shall be provided by the Manager as an independent contractor. No employment contract, partnership or joint venture between the Manager and the Listed Company and/or between the Manager and the Shipowning Subsidiaries has been created in or by this Agreement or as a result of the Management Services provided hereunder.

12.4. Separability. In the event that any provision of this Agreement would be held to be invalid or unenforceable for any reason, this Agreement shall be construed as if such invalid or unenforceable provision had been more narrowly drawn so as not to be invalid or unenforceable. If, notwithstanding the foregoing, any provision of this Agreement shall be held to be invalid or unenforceable for any reason, such invalidity or unenforceability shall attach only to such provision and shall not affect or render invalid or unenforceable any other provision of this Agreement.

12.5. Conflict of Terms. In case of any conflict or inconsistency between the provisions of this Agreement and the provisions of any Shipmanagement Agreement, the provisions of this Agreement shall prevail.

12.6. Binding Effect. This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors, permitted assigns, heirs, executors and legal representatives.

12.7. Counterparts. This Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original but all such counterparts together shall constitute one and the same instrument. Each counterpart may consist of two copies hereof each signed by one of the parties hereto.

12.8. Headings. The headings in this Agreement are for reference only and shall not affect the interpretation of this Agreement.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year first above written.

Signed for and on behalf of the Listed Company

/s/ Petros Panagiotidis

By: Petros Panagiotidis

Title: Chairman, CEO & CFO

Signed for and on behalf of the Manager

/s/ Thaleia Kamilieri

By: Thaleia Kamilieri

Title: Director

Signed for and on behalf of the Shipowning Subsidiaries

/s/ Viktoria Poziopoulou

SPETSES SHIPPING CO.

By: Viktoria Poziopoulou

Title: Attorney-in-fact

/s/ Viktoria Poziopoulou

PIKACHU SHIPPING CO.

By: Viktoria Poziopoulou

Title: Director

/s/ Viktoria Poziopoulou

BISTRO MARITIME CO.

By: Viktoria Poziopoulou

Title: Director

/s/ Viktoria Poziopoulou

BAGHEERA SHIPPING CO.

By: Viktoria Poziopoulou

Title: Director

SCHEDULE A – THE SHIPOWNING SUBSIDIARIES AND THE VESSELS

NAME OF SHIPOWNING SUBSIDIARY	PLACE OF SHIPOWNING SUBSIDIARY'S INCORPORATION	NAME OF VESSEL	VESSEL'S TONNAGE (GROSS/NET)	VESSEL'S IMO NUMBER	VESSEL'S FLAG
SPETSES SHIPPING CO.	Marshall Islands	MAGIC P	39964/25889	9288477	Marshall Islands
BISTRO MARITIME CO.	Marshall Islands	MAGIC SUN	40570/24975	9215933	Marshall Islands
PIKACHU SHIPPING CO.	Marshall Islands	MAGIC MOON	39727/25754	9336036	Marshall Islands
BAGHEERA SHIPPING CO.	Marshall Islands	MAGIC RAINBOW	40224/25869	9318591	Marshall Islands

**Document and Entity
Information**

**6 Months Ended
Jun. 30, 2020**

[Cover \[Abstract\]](#)

[Entity Registrant Name](#) Castor Maritime Inc.

[Entity Central Index Key](#) 0001720161

[Current Fiscal Year End Date](#) --12-31

[Document Type](#) 6-K

[Amendment Flag](#) false

[Document Period End Date](#) Jun. 30, 2020

**UNAUDITED INTERIM
CONSOLIDATED
BALANCE SHEETS - USD
(\$)**

**Jun. 30, Dec. 31,
2020 2019**

CURRENT ASSETS:

<u>Cash and cash equivalents</u>	\$	\$	
	30,754,641	4,558,939	
<u>Accounts receivable trade</u>	921,488	216,485	
<u>Due from related party</u>	470,848	759,386	
<u>Inventories</u>	190,914	143,534	
<u>Prepaid expenses and other assets</u>	435,851	375,255	
<u>Deferred charges, net</u>	0	167,298	
<u>Total current assets</u>	32,773,742	6,220,897	

NON-CURRENT ASSETS:

<u>Vessels, net</u>	23,523,913	23,700,029	
<u>Restricted cash</u>	500,000	500,000	
<u>Prepaid expenses and other assets, non-current</u>	200,000	0	
<u>Deferred charges, net</u>	531,074	0	
<u>Total non-current assets</u>	24,754,987	24,200,029	
<u>Total assets</u>	57,528,729	30,420,926	

CURRENT LIABILITIES:

<u>Current portion of long-term debt, net</u>	2,091,062	1,522,895	
<u>Current portion of long-term debt, related party</u>	5,000,000	0	
<u>Accounts payable</u>	373,604	410,592	
<u>Deferred revenue, net</u>	0	493,015	
<u>Accrued liabilities</u>	934,087	556,248	
<u>Total current liabilities</u>	8,398,753	2,982,750	

Commitments and contingencies

NON-CURRENT LIABILITIES:

<u>Long-term debt, net</u>	12,137,158	9,234,165	
<u>Long-term debt, related party</u>	0	5,000,000	
<u>Total non-current liabilities</u>	12,137,158	14,234,165	

SHAREHOLDERS' EQUITY:

<u>Common shares, \$0.001 par value; 1,950,000,000 shares authorized; 3,318,112 shares issued and outstanding as of December 31, 2019 and 70,442,876 issued and outstanding as of June 30, 2020</u>	70,443	3,318	
<u>Additional paid-in capital</u>	36,889,553	12,763,403	
<u>Retained earnings</u>	32,330	436,798	
<u>Total shareholders' equity</u>	36,992,818	13,204,011	
<u>Total liabilities and shareholders' equity</u>	57,528,729	30,420,926	

Series A Preferred Shares [Member]

SHAREHOLDERS' EQUITY:

<u>Preferred shares</u>	480	480	
<u>Series B Preferred Shares [Member]</u>			

SHAREHOLDERS' EQUITY:

Preferred shares

\$ 12

\$ 12

**UNAUDITED INTERIM
CONSOLIDATED
BALANCE SHEETS
(Parenthetical) - \$ / shares**

**6 Months Ended 12 Months Ended
Jun. 30, 2020 Dec. 31, 2019**

SHAREHOLDERS' EQUITY:

<u>Common shares, par value (in dollars per share)</u>	\$ 0.001	\$ 0.001
<u>Common shares, shares authorized (in shares)</u>	1,950,000,000	1,950,000,000
<u>Common shares, shares issued (in shares)</u>	70,442,876	3,318,112
<u>Common shares, shares outstanding (in shares)</u>	70,442,876	3,318,112
<u>Preferred shares, par value (in dollars per share)</u>	\$ 0.001	\$ 0.001
<u>Preferred shares, shares authorized (in shares)</u>	50,000,000	50,000,000
<u>Series A Preferred Shares [Member]</u>		

SHAREHOLDERS' EQUITY:

<u>Preferred shares, dividend rate</u>	9.75%	9.75%
<u>Preferred shares, liquidation preference (in dollars per share)</u>	\$ 30	\$ 30
<u>Preferred shares, issued (in shares)</u>	480,000	480,000
<u>Preferred shares, shares outstanding (in shares)</u>	480,000	480,000
<u>Series B Preferred Shares [Member]</u>		

SHAREHOLDERS' EQUITY:

<u>Preferred shares, issued (in shares)</u>	12,000	12,000
<u>Preferred shares, shares outstanding (in shares)</u>	12,000	12,000

**UNAUDITED INTERIM
CONDENSED
CONSOLIDATED
STATEMENTS OF
COMPREHENSIVE
INCOME / (LOSS) - USD (\$)**

6 Months Ended

**Jun. 30, Jun. 30,
2020 2019**

REVENUES:

<u>Vessel revenues (net of commissions to charterers of 88,154 and 282,059 respectively)</u>	\$		\$
	5,310,936		1,880,723
<u>Total revenues</u>	5,310,936		1,880,723

EXPENSES:

<u>Voyage expenses (including \$23,901 and \$0 to related party for the six months ended June 30, 2019 and 2020, respectively)</u>	(259,600)		(57,949)
<u>Vessel operating expenses</u>	(2,604,336)		(874,260)
<u>Management fees to related party</u>	(273,000)		(57,920)
<u>Depreciation and amortization</u>	(694,372)		(345,705)
<u>General and administrative expenses</u>			
<u>Company administration expenses</u>	(237,636)		(113,420)
<u>Public registration costs</u>	0		(132,091)
<u>Total expenses</u>	(4,068,944)		(1,581,345)
<u>Operating income</u>	1,241,992		299,378

OTHER INCOME/(EXPENSES):

<u>Interest and finance costs (including \$0 and \$151,667 to related party for the six months ended June 30, 2019 and 2020, respectively)</u>	(1,665,828)		(1,554)
<u>Interest income</u>	32,092		21,416
<u>Foreign exchange losses</u>	(12,724)		(2,668)
<u>Total other income/(expenses), net</u>	(1,646,460)		17,194
<u>Net income/(loss)</u>	(404,468)		316,572
<u>Comprehensive income/(loss)</u>	\$ (404,468)		\$ 316,572
<u>Loss per common share, basic and diluted (in dollars per share)</u>	\$ (0.05)		\$ (0.56)
<u>Weighted average number of common shares, basic and diluted (in shares)</u>	8,027,649		2,400,000

**UNAUDITED INTERIM
CONDENSED
CONSOLIDATED
STATEMENTS OF
COMPREHENSIVE
INCOME / (LOSS)
(Parenthetical) - USD (\$)**

6 Months Ended

Jun. 30, 2020 Jun. 30, 2019

REVENUES:

<u>Commissions to charterers</u>	\$ 282,059	\$ 88,154
<u>Voyage expenses, related party</u>	0	23,901
<u>Interest and finance costs, related party</u>	\$ 151,667	\$ 0

UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY - USD (\$)	Common Shares [Member]	Preferred	Preferred	Par Value of Shares Issued [Member]	Additional Paid-in Capital [Member]	Retained Earnings [Member]	Total
		Shares [Member] A Shares [Member]	Shares [Member] B Shares [Member]				
<u>Balance at Dec. 31, 2018</u>				\$ 2,892	\$ 7,612,108	\$ 2,136,024	\$ 9,751,024
<u>Balance (in shares) at Dec. 31, 2018</u>	2,400,000	480,000	12,000				
<u>Increase (Decrease) in Shareholders' Equity [Roll Forward]</u>							
<u>Net income/(loss)</u>				0	0	316,572	316,572
<u>Balance at Jun. 30, 2019</u>				2,892	7,612,108	2,452,596	10,067,596
<u>Balance (in shares) at Jun. 30, 2019</u>	2,400,000	480,000	12,000				
<u>Balance at Dec. 31, 2019</u>				3,810	12,763,403	436,798	13,204,011
<u>Balance (in shares) at Dec. 31, 2019</u>	3,318,112	480,000	12,000				
<u>Increase (Decrease) in Shareholders' Equity [Roll Forward]</u>							
<u>Issuance of common stock pursuant to the \$5.0 Million Convertible Debentures (Notes 6, 7)</u>				8,042	5,049,731	0	5,057,773
<u>Issuance of common stock pursuant to the \$5.0 Million Convertible Debentures (Notes 6, 7) (in shares)</u>	8,042,078	0	0				
<u>Issuance of common stock pursuant to the June Equity Offering, net of issuance costs (Note 7)</u>				59,083	18,543,982	0	18,603,065
<u>Issuance of common stock pursuant to the June Equity Offering, net of issuance costs (Note 7) (in shares)</u>	59,082,686	0	0				
<u>Beneficial conversion feature pursuant to the issuance of the \$5.0 Million Convertible Debentures (Note 6)</u>				0	532,437	0	532,437
<u>Net income/(loss)</u>				0	0	(404,468)	(404,468)
<u>Balance at Jun. 30, 2020</u>				\$ 70,935	\$ 36,889,553	\$ 32,330	\$ 36,992,818

Balance (in shares) at Jun. 30,
2020 70,442,876,480,000 12,000

**UNAUDITED INTERIM
CONSOLIDATED
STATEMENTS OF
SHAREHOLDERS'
EQUITY (Parenthetical) -
USD (\$)
\$ in Millions**

	Jun. 30, 2020	Jun. 08, 2020	Feb. 19, 2020	Feb. 10, 2020	Jan. 27, 2020
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[\\$5.0 Million Convertible Debentures \[Member\]](#)

Increase (Decrease) in Shareholders' Equity [Roll Forward]

Face amount	\$ 5.0	\$ 5.0	\$ 1.5	\$ 1.5	\$ 2.0
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**UNAUDITED INTERIM
CONSOLIDATED
STATEMENTS OF CASH
FLOWS - USD (\$)**

6 Months Ended
Jun. 30, Jun. 30,
2020 2019

Cash Flows from/(used in) Operating Activities:

Net income/(loss) \$ (404,468) \$ 316,572

Adjustments to reconcile net income/(loss) to net cash provided by operating activities:

Depreciation and amortization of deferred dry-docking costs 694,372 345,705

Amortization and write-off of deferred finance charges 541,441 0

Amortization of other deferred charges 112,508 0

Deferred revenue amortization (430,994) 0

Interest settled in common stock 57,773 0

Amortization and write-off of convertible notes beneficial conversion feature 532,437 0

Changes in operating assets and liabilities:

Accounts receivable trade (705,003) 507,633

Inventories (47,380) (869)

Due from related parties 288,538 (168,769)

Prepaid expenses and other current assets (260,596) (159,903)

Dry-dock paid (509,976) 0

Accounts payable (179,960) (142,034)

Accrued liabilities (17,290) 88,336

Deferred revenue (62,021) (47,708)

Net Cash provided by/(used in) Operating Activities (390,619) 738,963

Cash flow used in Investing Activities:

Vessel acquisitions and other vessel improvements (388,635) 0

Net cash used in Investing Activities (388,635) 0

Cash flows (used in)/provided by Financing Activities:

Gross proceeds from issuance of common stock and warrants 20,671,500 0

Common stock issuance expenses paid (1,637,559) (40,250)

Proceeds from long-term debt 9,500,000 0

Repayment of long-term debt (950,000) 0

Payment of deferred financing costs (608,985) 0

Net cash (used in)/provided by Financing Activities 26,974,956 (40,250)

Net increase in cash, cash equivalents, and restricted cash 26,195,702 698,713

Cash, cash equivalents and restricted cash at the beginning of the period 5,058,939 1,887,280

Cash, cash equivalents and restricted cash at the end of the period 31,254,641 2,585,993

RECONCILIATION OF CASH, CASH EQUIVALENTS AND RESTRICTED CASH

Cash and cash equivalents 30,754,641 2,585,993

Restricted cash 500,000 0

Cash, cash equivalents and restricted cash at the end of the period 31,254,641 2,585,993

SUPPLEMENTAL CASH FLOW INFORMATION

Cash paid for interest 354,433 0

<u>Shares issued in connection with the settlement of the \$5.0 Million Convertible Debentures</u>	5,057,773	0
<u>Unpaid vessel acquisition and other addition costs (included in Accounts payable and Accrued liabilities)</u>	104,654	0
<u>Unpaid capital raising costs (included in Accounts payable and Accrued Liabilities)</u>	\$ 430,876	\$ 0

**UNAUDITED INTERIM
CONSOLIDATED
STATEMENTS OF CASH
FLOWS (Parenthetical) -
USD (\$)
\$ in Millions**

**Jun. 30,
2020** **Jun. 08,
2020** **Feb. 19,
2020** **Feb. 10,
2020** **Jan. 27,
2020**

[\\$5.0 Million Convertible Debentures](#)

[\[Member\]](#)

[Supplemental Cash Flow Information](#)

[\[Abstract\]](#)

[Face amount](#)

\$ 5.0	\$ 5.0	\$ 1.5	\$ 1.5	\$ 2.0
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Basis of Presentation and General information

6 Months Ended
Jun. 30, 2020

Basis of Presentation and General information

[Abstract]

Basis of Presentation and General information

1. Basis of Presentation and General information

Castor Maritime Inc. (“Castor”) was incorporated in September 2017 under the laws of the Republic of the Marshall Islands. The accompanying consolidated financial statements include the accounts of Castor and its wholly-owned subsidiaries (collectively, the “Company”).

The Company is engaged in the worldwide ocean transportation of dry bulk cargoes through its vessel-owning subsidiaries. On December 21, 2018, Castor’s common shares began trading on the Norwegian OTC and on February 11, 2019, they began trading on the Nasdaq Capital Market, or Nasdaq, under the symbol “CTRM”.

Castor is controlled by Thalassa Investment Co. S.A. (“Thalassa”), a corporation incorporated in Liberia, which as of June 30, 2020, held 1.6% of the Company’s common shares and 100% of the Series B preferred shares and, accordingly, controlled the outcome of matters on which shareholders are entitled to vote. Thalassa is wholly-owned and controlled by Petros Panagiotidis, the Company’s Chairman, Chief Executive Officer and Chief Financial Officer.

Pavimar S.A., a corporation incorporated under the laws of the Republic of the Marshall Islands (“Pavimar”, or “the Manager”), a related party controlled by the sister of Petros Panagiotidis, Ismini Panagiotidis, provides technical, crew and operational management services to the Company.

The accompanying unaudited interim condensed consolidated financial statements include the accounts of Castor and its wholly owned subsidiaries and have been prepared in accordance with accounting principles generally accepted in the United States (“U.S. GAAP”) for interim financial information. Accordingly, they do not include all the information and notes required by U.S. GAAP for complete financial statements. These statements and the accompanying notes should be read in conjunction with the Company’s Annual Report on Form 20-F for the fiscal year ended December 31, 2019, filed with the U.S. Securities and Exchange Commission (the “SEC”) on March 31, 2020 (the “2019 Annual Report”).

On September 27, 2019, the Company’s Board of Directors authorized a change in Castor’s fiscal year end from September 30 to December 31. As a result, the Company’s comparative unaudited interim condensed consolidated financial statements have been prepared on the basis of the revised fiscal year end. In the opinion of management, these financial statements reflect all adjustments which include normal recurring adjustments considered necessary for a fair presentation of the Company’s financial position, results of operations and cash flows for the periods presented. Operating results for the six-month period ended June 30, 2020 are not necessarily indicative of the results that might be expected for the fiscal year ending December 31, 2020.

As of June 30, 2020, the Company was the sole owner of all outstanding shares of the following subsidiary companies:

Vessel owning subsidiaries consolidated:

Company	Country of incorporation	Vessel Name	DWT	Year Built	Delivery date to Castor
Spetses Shipping Co. (“Spetses”)	Marshall Islands	<i>Magic P</i>	76,453	2004	February 2017
Bistro Maritime Co. (“Bistro”)	Marshall Islands	<i>Magic Sun</i>	75,311	2001	September 2019

Pikachu Shipping Co. ("Pikachu")	Marshall Islands	<i>Magic</i> <i>Moon</i>	76,602	2005	October 2019
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Subsidiaries consolidated formed to acquire vessel:

Company	Country of incorporation
Bagheera Shipping Co. ("Bagheera")	Marshall Islands

COVID-19 related considerations

The COVID-19 pandemic has negatively impacted, and may continue to impact negatively, global economic activity and demand, including the dry-bulk shipping industry into which the Company operates. In case that the COVID-19 pandemic continues to negatively impact market rates in the long-term, depending on the pervasiveness of such economic recession, there could be a significant negative impact in the Company's liquidity, vessels' value and overall financial condition. The Company evaluates on a quarterly basis its ability to continue as a going concern in accordance the provisions of ASU No. 2014-15 for a period of one year after the date that the financial statements are issued. In light of the continuity of the COVID-19 pandemic and the overall uncertainty on its potential future impact, the Company, as at June 30, 2020, performed a sensitivity analysis on key assumptions such as the estimates of future charter rates for non-contracted revenue days in order to identify conditions or events that raise substantial doubt about the Company's ability to continue as a going concern within one year from the date the financial statements are issued. As per the Company's evaluation, it was concluded that COVID-19 related considerations did not adversely affect the Company's ability to continue as a going concern.

**Significant Accounting
Policies and Recent
Accounting Pronouncements**

6 Months Ended

Jun. 30, 2020

**Significant Accounting
Policies and Recent
Accounting Pronouncements**

[Abstract]

Significant Accounting

Policies and Recent

Accounting Pronouncements

2. Significant Accounting Policies and Recent Accounting Pronouncements:

A discussion of the Company's significant accounting policies can be found in the consolidated financial statements for the year ended December 31, 2019, included in the Company's 2019 Annual Report. Apart from the below, there have been no material changes to these policies in the six-month period ended June 30, 2020.

New significant accounting policies adopted during the six months ended June 30, 2020

Convertible debt and associated beneficial conversion features

Convertible debt is accounted in accordance with ASC 470-20, Debt with Conversion and Other Options. An instrument that is not a derivative itself must be evaluated for embedded features that should be bifurcated and separately accounted for as freestanding derivatives in accordance with ASC 815, Derivatives and Hedging, or separately accounted for under the cash conversion literature of ASC 470-20, Debt with Conversion and Other Options.

In relation to the Company's issued \$5.0 million senior unsecured convertible debentures (Note 6), the terms of each convertible debenture included an embedded conversion feature which provided for a conversion at the option of the holder into shares of common stock at an adjustable conversion ratio. The Company determined that the conversion features were beneficial conversion features ("BCF") pursuant to ASC 470-20. The Company considered the BCF guidance only after determining that the features did not need to be bifurcated under ASC 815, Derivatives and Hedging, or separately accounted for under the cash conversion literature of ASC 470-20, Debt with Conversion and Other Options.

The BCF is recognized separately at issuance by allocating a portion of the proceeds equal to the intrinsic value of the BCF to additional paid-in capital, resulting in a discount on the convertible instrument. This discount is accreted from the date on which the BCF is first recognized through the stated maturity date of the convertible instrument using the effective interest method. Upon conversion of an instrument with a BCF, all unamortized discounts at the conversion date are recognized immediately as interest expense.

Recent Accounting Pronouncements:

There are no recent accounting pronouncements the adoption of which are expected to have a material effect on the Company's unaudited interim consolidated condensed financial statements in the current period.

Transactions with Related Parties

**6 Months Ended
Jun. 30, 2020**

[Transactions with Related Parties \[Abstract\]](#)

[Transactions with Related Parties](#)

3. Transactions with Related Parties:

During the six month periods ended June 30, 2019 and 2020, the Company incurred the following charges in connection with related party transactions, which are included in the accompanying unaudited interim condensed consolidated statements of comprehensive income/(loss):

	<u>Six months ended June 30, 2019</u>	<u>Six months ended June 30, 2020</u>
Management fees-related party		
Management fees (a)	\$ 57,920	\$ 273,000
Included in Voyage expenses		
Charter hire commissions (b)	\$ 23,901	\$ —
Included in Interest and finance costs		
Interest expenses (c)	\$ —	\$ 151,667

As of December 31, 2019 and June 30, 2020, balances with related parties consisted of the following:

	<u>December 31, 2019</u>	<u>June 30, 2020</u>
Assets:		
Working capital advances granted to the Manager (a)	\$ 759,386	\$ 470,848
Liabilities:		
Related party debt (c)	<u>\$ 5,000,000</u>	<u>\$5,000,000</u>

(a) Pavimar:

The Company's ship-owning subsidiaries have each entered into separate vessel management agreements with Pavimar, a company controlled by Ismini Panagiotidis, the sister of Petros Panagiotidis (see Note 1). Pursuant to the terms of the management agreements, Pavimar provides the Company with a wide range of shipping services, including crew management, technical management, operational employment management, insurance arrangements, provisioning, bunkering, accounting, general administration and audit support services, in exchange for a fixed daily fee, for a period beginning upon a vessel's delivery and until the termination of the agreement. Since November 13, 2017 and up to December 31, 2019, the daily fixed management fee of the sole vessel in the Company's fleet at that time, the *Magic P*, was set at \$320 from a previous \$250. The daily management fee on the *Magic Sun* and *Magic Moon* was set at \$500 from their delivery date onwards. On January 1, 2020, the *Magic P* daily management fee was aligned via an amendment to its management agreement with that of the remaining fleet, and, as a result, during the six month period ended June 30, 2020, all the Company's vessels were charged with a daily management fee of \$500 per day per vessel.

During the six months ended June 30, 2019 and 2020, the Company incurred management fees under the vessel management agreements amounting to \$57,920 and \$273,000, respectively, which are separately reflected in the accompanying unaudited interim condensed consolidated statements of comprehensive income/(loss).

In addition, each month the Manager makes payments for operating expenses with funds provided in advance by the Company. As of December 31, 2019 and June 30, 2020, amounts of \$759,386 and \$470,848, respectively, were due from the Manager in relation to these working capital advances granted to it.

(b) Alexandria Enterprises S.A:

During the six month period ended June 30, 2019, the Company used on a non-recurring basis the commercial services of Alexandria Enterprises S.A., (“Alexandria”) an entity controlled by a family member of the Company’s Chairman, Chief Executive Officer and Chief Financial Officer. In exchange for these services, Alexandria charged the Company a commission rate equal to 1.25% of the gross charter hire, freight and the ballast bonus earned under a charter agreement.

Commissions charged by Alexandria during the six month period ended June 30, 2019 amounted to \$23,901 and are included in Voyage expenses in the accompanying unaudited interim condensed consolidated statements of comprehensive income/(loss). The Company has stopped using the commercial services of Alexandria since January 1, 2020, and, accordingly, no relevant charges exist for the six month period ended June 30, 2020. As of December 31, 2019 and June 30, 2020, no amounts were due to Alexandria.

(c) Thalassa:

Details of the Company’s loan agreement with Thalassa are discussed in (Note 3) of the consolidated financial statements for the year ended December 31, 2019, included in the Company’s Annual Report.

During the six months ended June 30, 2020, the Company incurred interest costs in connection with the \$5.0 million unsecured term loan with Thalassa (the “\$5.0 Million Term Loan Facility”) amounting to \$151,667, which are included in Interest and finance costs in the accompanying unaudited interim consolidated statements of comprehensive income/(loss).

As of June 30, 2020, no amounts were prepaid under the \$5.0 Million Term Loan Facility.

Deferred charges, net

6 Months Ended
Jun. 30, 2020

[Deferred charges, net](#)

[\[Abstract\]](#)

[Deferred charges, net](#)

4. Deferred charges, net:

The movement in the deferred dry-docking costs, net in the accompanying unaudited interim consolidated balance sheets, is as follows:

	Dry-docking costs
Balance December 31, 2019	\$ —
Additions	564,766
Amortization	(33,692)
Balance June 30, 2020	\$ 531,074

On February 14, 2020, the *Magic P* commenced its scheduled dry-dock which was completed on March 21, 2020. Amortization of deferred dry-docking costs is included in Depreciation and amortization in the accompanying unaudited interim condensed consolidated statements of comprehensive income/(loss).

Vessels, net

**6 Months Ended
Jun. 30, 2020**

[Vessels, net \[Abstract\]](#)
[Vessels, net](#)

5. Vessels, net:

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

	<u>Vessel Cost</u>	<u>Accumulated depreciation</u>	<u>Net Book Value</u>
Balance December 31, 2019	\$24,810,061	\$ (1,110,032)	\$23,700,029
Additions and other improvements to fleet vessels	484,564	—	484,564
Period depreciation	—	(660,680)	(660,680)
Balance June 30, 2020	<u>\$25,294,625</u>	<u>\$ (1,770,712)</u>	<u>\$23,523,913</u>

As of June 30, 2020, all vessels were first priority mortgaged to secured loans of the Company (Note 6).

On August 8, 2020, pursuant to an agreement entered into on June 30, 2020 with an unaffiliated third party, the Company took delivery of its fourth Panamax dry bulk carrier vessel, the M/V *Magic Rainbow* and, on July 28, 2020, it agreed the acquisition of its fifth vessel, to be re-named M/V *Magic Horizon* (Note 15).

Long-Term Debt

6 Months Ended
Jun. 30, 2020

[Long-Term Debt \[Abstract\]](#)

[Long-Term Debt](#)

6. Long-Term Debt:

The amount of long-term debt (including related party debt discussed under Note 3) shown in the accompanying consolidated balance sheet of June 30, 2020, is analyzed as follows:

Debt instruments	Borrowers- Issuers	Year / Period Ended	
		December 31, 2019	June 30, 2020
\$11.0 Million Alpha Bank Facility (a)	Spetses- Pikachu	\$ 11,000,000	\$10,200,000
\$4.5 Million Chailease Financial Services Facility (b) Bistro		—	4,350,000
Total long-term debt		\$ 11,000,000	\$14,550,000
Less: Deferred financing costs		(242,940)	(321,780)
Total long-term debt, net of deferred finance costs		\$ 10,757,060	\$ 14,228,220
Presented:			
Current portion of long-term debt		\$ 1,600,000	\$ 2,200,000
Less: Current portion of deferred finance costs		(77,105)	(108,938)
Current portion of long-term debt, net of deferred finance costs		\$ 1,522,895	\$ 2,091,062
Non-Current portion of long-term debt		9,400,000	12,350,000
Less: Non-Current portion of deferred finance costs		(165,835)	(212,842)
Non-Current portion of long-term debt, net of deferred finance costs		\$ 9,234,165	\$12,137,158
Debt instruments from related party			
\$5.0 Million Term Loan Facility (Note 3(c))	Castor	5,000,000	5,000,000
Total long-term debt from related party		\$ 5,000,000	\$ 5,000,000

a. \$11.0 Million Alpha Bank Facility:

Details of the Company's \$11.0 million senior secured credit facility with Alpha Bank A.E, or the \$11.0 Million Alpha Bank Facility, are discussed in (Note 6) of the consolidated financial statements for the year ended December 31, 2019, included in the Company's 2019 Annual Report.

b. \$4.5 Million Chailease Financial Services Facility:

On January 23, 2020, pursuant to the terms of a credit agreement, Bistro entered into a \$4.5 million secured term loan facility with Chailease International Financial Services Co., Ltd., or the Chailease Financial Services Facility. The loan was drawn down on January 31, 2020, is repayable in twenty (20) equal quarterly installments of \$150,000 each, plus a balloon installment payable at maturity and bears interest at 4.50% plus LIBOR per annum. The facility contains a standard security package including a first preferred mortgage on the vessel, pledge of bank account, charter assignment, shares pledge and a general assignment over the vessel's earnings, insurances and any requisition compensation in relation to the vessel owned by the borrower, and is guaranteed by the Company and Pavimar. Pursuant to the terms of the Chailease Financial Services Facility, the Company is also subject to certain minimum liquidity restrictions requiring the borrower to maintain a \$400,000 credit balance with the lender (the "Cash Collateral") as well as certain customary, for this type of facilities, negative covenants. Bistro shall, from the first anniversary of the drawdown date, be entitled to withdraw up to \$200,000 in aggregate from this balance provided no default has occurred. As a result of the above, the \$200,000 of the Cash Collateral was

classified in Prepaid expenses and other assets, non-current in the accompanying unaudited interim consolidated balance sheet. The credit agreement governing the Chailease Financial Services Facility also requires maintenance of a maximum value to loan ratio being the aggregate principal amount of (i) fair market value of the collateral vessel and (ii) the value of any additional security (including the Cash Collateral), to the aggregate principal amount of the loan.

c. \$5.0 Million Convertible Debentures:

On January 27, 2020, the Company entered into a securities purchase agreement with an institutional investor, YAII PN, LTD, or the Investor, pursuant to which, on January 27, 2020, February 10, 2020 and February 19, 2020, the Company issued and sold to the Investor three unsecured convertible debentures that were convertible into shares of the Company’s common stock, in original principal amounts of \$2.0 million, \$1.5 million and \$1.5 million each, respectively (individually, a “Convertible Debenture” and collectively, the “\$5.0 Million Convertible Debentures”). The \$5.0 Million Convertible Debentures originally matured 12 months from their issuance dates, bore fixed interest at 6% per annum, and were convertible at the Investor’s option, at any time after issuance, into common shares of the Company at the lower of (i) a price of \$2.25 per common share or (ii) 90% of the lowest daily volume weighted average price of the common stock during the 10 trading days prior to the conversion date. As of June 8, 2020, the Investor had converted the full principal amount and interest owed with respect to the \$5.0 Convertible Debentures aggregating to an amount of \$5,057,773 and the Company had issued 8,042,078 common shares in settlement thereof.

The Company accounted for the issuance of the convertible debentures in accordance with the BCF guidance in ASC 470-20 and accordingly recognized the BCFs, amounting to \$532,437, separately at issuance by allocating a portion of the proceeds equal to the intrinsic value of these features to additional paid-in capital. The intrinsic value of each BCF was calculated at the commitment date as the difference between the conversion price and the fair value of the common stock, multiplied by the number of shares into which the security was convertible. Following the conversions by the Investor of the amounts owed under the \$5.0 Million Convertible Debentures, the Company, as of June 30, 2020, recognized all unamortized discounts at the conversion dates as interest expense which is included in Interest and Finance Costs in the accompanying unaudited interim consolidated statements of comprehensive income/(loss).

As of June 30, 2020, the Company was in compliance with all financial covenants prescribed in its debt agreements.

Restricted cash as of June 30, 2020 and December 31, 2019, includes \$500,000 of non-legally restricted cash as per the \$11.0 Million Alpha Bank Facility minimum liquidity requirements, or \$250,000 per collateralized vessel.

The annual principal payments for the Company’s outstanding debt arrangements as of June 30, 2020 (including related party debt discussed under Note 3), required to be made after the balance sheet date, are as follows:

Twelve-month period ending June 30,	Amount
2021	\$ 7,200,000
2022	2,200,000
2023	2,200,000
2024	2,200,000
2025	5,750,000
Total long-term debt (including related party debt)	<u>\$19,550,000</u>

The weighted average interest rate on the Company’s long-term debt for the six months ended June 30, 2020 was 5.4%.

Total interest incurred on long-term debt for the six months ended June 30, 2020, amounted to \$583,996 and is included in Interest and finance costs in the accompanying unaudited interim consolidated statements of comprehensive income/(loss) (Note 14).

Equity Capital Structure

**6 Months Ended
Jun. 30, 2020**

[Equity Capital Structure](#)

[\[Abstract\]](#)

[Equity Capital Structure](#)

7. Equity Capital Structure:

Under the Company's articles of incorporation, the Company's authorized capital stock consists of 2,000,000,000 shares, par value \$0.001 per share, of which 1,950,000,000 shares are designated as common shares and 50,000,000 shares are designated as preferred shares. For a further description of the terms and rights of the Company's capital stock and details of its previous equity transactions please refer to Note 7 of the consolidated financial statements for the year ended December 31, 2019, included in the Company's 2019 Annual Report.

Issuance of common stock in connection with the \$5.0 Million Convertible Debentures

During the period from February 20, 2020 to June 8, 2020, the Company issued 8,042,078 common shares upon the conversion of the \$5.0 Million Convertible Debentures in their entirety (see Note 6 for further discussion on this topic).

Underwritten common stock and Class A Warrants follow-on offering:

On June 23, 2020, the Company entered into an agreement with Maxim Group LLC, or Maxim, acting as underwriter pursuant to which it offered and sold 59,110,000 units, each unit consisting of (i) one common share or a pre-funded warrant to purchase one common share at an exercise price equal to \$0.01 per common share (a "Pre-Funded Warrant"), and (ii) one Class A Warrant to purchase one common share (a "Class A Warrant"), for \$0.35 per unit (or \$0.34 per unit including a pre-funded warrant), or the June Equity Offering. The June Equity Offering, which was completed on June 26, 2020, resulted in the issuance of 59,082,686 common shares (the "June Equity Offering Shares") and 59,110,000 Class A Warrants, which also included 7,710,000 over-allotment units pursuant to an over-allotment option that was exercised by Maxim on June 24, 2020. The Company raised gross and net cash proceeds from this transaction of \$20.7 million and \$18.6 million, respectively.

The Class A Warrants issued in the June Equity Offering have a term of five years and are exercisable immediately and throughout their term for \$0.35 per common share (American style option). The exercise price of the Class A Warrants is subject to appropriate adjustment in the event of certain stock dividends and distributions, stock splits, stock combinations, reclassifications or similar events affecting the Company's common shares and also upon any distributions of assets, including cash, stock or other property to existing shareholders.

Between their issuance date, being June 26, 2020 and June 30, 2020, there were no exercises of Class A Warrants and, as a result, as of June 30, 2020, 59,110,000 Class A Warrants remained unexercised and potentially issuable into common stock of the Company.

The Company accounted for the Class A Warrants as equity in accordance with the accounting guidance under ASC 815-40. The accounting guidance provides a scope exception from classifying and measuring as a financial liability a contract that would otherwise meet the definition of a derivative if the contract is both (i) indexed to the entity's own stock and (ii) meets the equity classifications conditions. The Company concluded these warrants were equity-classified since they contained no provisions which would require the Company to account for the warrants as a derivative liability, and therefore were initially measured at fair value in permanent equity with subsequent changes in fair value not measured.

On initial recognition the fair value of the Class A Warrants was \$22.4 million and was determined using the Black-Scholes methodology. The fair value was considered by the Company to be classified as Level 3 in the fair value hierarchy since it was derived by unobservable inputs.

The major unobservable input in connection with the valuation of the Class A Warrants was the volatility used in the valuation model, which was approximated by using historical observations of the Company's share price. The annualized historical volatility that has been applied in the Class A Warrants valuation was 153.5%. A 5% increase in the volatility applied would have led to an increase of 1.4% in the fair value of the Class A Warrants.

**Financial Instruments and
Fair Value Disclosures**

**6 Months Ended
Jun. 30, 2020**

**Financial Instruments and
Fair Value Disclosures**

[Abstract]

**Financial Instruments and Fair
Value Disclosures**

8. Financial Instruments and Fair Value Disclosures:

The principal financial assets of the Company consist of cash at banks, restricted cash, trade accounts receivable and amounts due from related party. The principal financial liabilities of the Company consist of trade accounts payable and long-term debt (including related party debt).

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

- ? **Cash and cash equivalents, restricted cash, trade accounts receivable, amounts due from related party and trade accounts payable:** The carrying values reported in the accompanying consolidated balance sheets for those financial instruments are reasonable estimates of their fair values due to their short-term maturity nature. Cash and cash equivalents are considered Level 1 items as they represent liquid assets with short term maturities. The carrying value approximates the fair market value for interest bearing cash classified as restricted cash, non-current and is considered Level 1 item of the fair value hierarchy. The carrying value of these instruments is separately reflected in the accompanying consolidated balance sheets.
- ? **Long-term debt:** The \$11.0 Million Alpha Bank Financing and the Chailease Financial Services Facility discussed in Note 6, have a recorded value which is a reasonable estimate of their fair value due to their variable interest rate and are thus considered Level 2 items in accordance with the fair value hierarchy as LIBOR rates are observable at commonly quoted intervals for the full terms of the loans. The fair value of the fixed interest bearing \$5.0 Million Term Loan Facility, discussed in Note 3, determined through Level 2 inputs of the fair value hierarchy (quoted prices for identical or similar assets and liabilities in markets that are not active), approximates its recorded value as of June 30, 2020.

Concentration of credit risk: Financial instruments, which potentially subject the Company to significant concentrations of credit risk, consist principally of cash and cash equivalents and trade accounts receivable. The Company places its cash and cash equivalents, consisting mostly of deposits, with high credit qualified financial institutions. The Company performs periodic evaluations of the relative credit standing of the financial institutions in which it places its deposits. The Company limits its credit risk with accounts receivable by performing ongoing credit evaluations of its customers' financial condition.

Commitments and contingencies

6 Months Ended
Jun. 30, 2020

[Commitments and contingencies \[Abstract\]](#)

[Commitments and contingencies](#)

9. Commitments and contingencies:

Various claims, lawsuits, and complaints, including those involving government regulations and product liability, arise in the ordinary course of the shipping business. In addition, losses may arise from disputes with charterers, agents, insurance and other claims with suppliers relating to the operations of the Company's vessels. Currently, management is not aware of any such claims or contingent liabilities, which should be disclosed, or for which a provision should be established in the accompanying consolidated financial statements.

The Company accrues for the cost of environmental liabilities when management becomes aware that a liability is probable and is able to reasonably estimate the probable exposure. Currently, management is not aware of any such claims or contingent liabilities, which should be disclosed, or for which a provision should be established in the accompanying consolidated financial statements. The Company is covered for liabilities associated with the vessels' actions to the maximum limits as provided by Protection and Indemnity (P&I) Clubs, members of the International Group of P&I Clubs.

(a) Commitments under Contracts for BWMS Installation

On November 15, 2018, the Company entered into contracts to purchase and install ballast water management systems ("BWMS") on its dry bulk carriers, which were amended on October 20, 2019, following the acquisition of the *Magic Sun* and the *Magic Moon*. The Company expects that the BWMS installation on the *Magic Sun* will be completed during the vessel's upcoming dry-docking expected to take place in the fourth quarter of 2020, whereas, the BWMS system installations on the *Magic P* and the *Magic Moon* were granted extensions from the third quarter of 2020 to the third quarter of 2022. It is estimated that the contractual obligations related to these purchases, excluding installation costs, will be approximately €0.7 million (or \$0.8 million on the basis of a Euro/US Dollar exchange rate of €1.0000/\$1.1247 as of June 30, 2020). These costs will be capitalized and depreciated over the remainder of the life of each vessel. As of June 30, 2020, part of the BWMS equipment for the *Magic P* had been delivered to the vessel and has, thus, been included in Vessels, net in the accompanying unaudited interim consolidated balance sheet, whereas, the Company had partially advanced \$39,969 in connection with the *Magic Sun* order which is included in Prepaid expenses and other current assets in the accompanying unaudited interim consolidated balance sheet.

(b) Commitments under long-term lease contracts

During the six-months ended June 30, 2020, the Company reported lease income (gross of charterers' commissions amounting to \$282,059, which excludes the non-cash effect of amortization of deferred ballast revenue amounting to \$430,994) of \$5.2 million. The Company's future minimum contracted lease payments (gross of charterers' commissions), based on vessels' commitment to non-cancelable time charter contracts (including fixture recaps) as of June 30, 2020, was \$1.9 million, all due within the next 12 months. This amount does not include any assumed off-hire days.

Income Taxes

**6 Months Ended
Jun. 30, 2020**

[Income Taxes \[Abstract\]](#)
[Income Taxes](#)

10. Income Taxes:

Castor and its subsidiaries are incorporated under the laws of the Republic of the Marshall Islands and they are not subject to income taxes in the Republic of the Marshall Islands. Castor's ship-owning subsidiaries are subject to registration and tonnage taxes, which have been included in Vessel operating expenses in the accompanying consolidated statements of comprehensive income/(loss). The Company and its subsidiaries were not subject to United States federal income taxation in respect of income that is derived from the international operation of ships and the performance of services directly related as they qualified for the exemption of Section 883 of the Internal Revenue Code of 1986, as amended.

Loss Per Share

6 Months Ended
Jun. 30, 2020

[Loss Per Share \[Abstract\]](#)

[Loss Per Share](#)

11. Loss Per Share:

The Company calculates earnings/(loss) per share by dividing net income/(loss) available to common stockholders in each period by the weighted-average number of common shares outstanding during that period, after adjusting for the effect of cumulative dividends on the Series A Preferred Shares, whether or not earned, and only at periods when dividends on the Series A Preferred Shares are contractually allowed to accumulate.

Diluted earnings/(loss) per share, if applicable, reflects the potential dilution that could occur if potentially dilutive instruments were exercised, resulting in the issuance of additional shares that would then share in the Company's net income. As of June 30, 2020, securities that could potentially dilute basic loss per share that were excluded from the computation of diluted loss per share, because to do so would have been antidilutive for the period presented, were the incremental shares in connection with the 59,110,000 unexercised, as of June 30, 2020, Class A warrants (Note 7), calculated in accordance with the treasury stock method. The Company had no dilutive securities in the six month period ended June 30, 2019.

The components of the calculation of basic and diluted net loss per common share in each of the periods comprising the accompanying consolidated unaudited interim condensed statements of comprehensive income/(loss) are as follows:

	<u>Six months ended</u> <u>June 30,</u>	<u>Six months ended</u> <u>June 30,</u>
	<u>2019</u>	<u>2020</u>
Net income/(loss) and comprehensive income/(loss)	\$ 316,572	\$ (404,468)
Less: Cumulative dividends on Series A Preferred Shares	(1,670,819)	—
Net loss and comprehensive loss available to common shareholders	(1,354,247)	(404,468)
Weighted average number of common shares outstanding, basic and diluted	2,400,000	8,027,649
Net loss per common share, basic and diluted	\$ (0.56)	\$ (0.05)

**Vessel Operating and Voyage
Expenses**

**6 Months Ended
Jun. 30, 2020**

[Vessel Operating and Voyage
Expenses \[Abstract\]](#)

[Vessel Operating and Voyage
Expenses](#)

12. Vessel Operating and Voyage Expenses:

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

	<u>Six months ended June 30, 2019</u>	<u>Six months ended June 30, 2020</u>
Vessel Operating Expenses		
Crew & crew related costs	\$ 443,372	\$ 1,291,082
Repairs & maintenance, spares, stores, classification, chemicals & gases, paints, victualling	223,111	848,575
Lubricants	75,366	130,009
Insurances	60,884	193,912
Tonnage taxes	18,455	53,840
Other	53,072	86,918
Total vessel operating expenses	\$ 874,260	\$ 2,604,336

	<u>Six months ended June 30, 2019</u>	<u>Six months ended June 30, 2020</u>
Voyage expenses		
Brokerage commissions	\$ 33,579	\$ 66,585
Port & other expenses	11,895	55,281
Bunkers consumption	—	122,469
Loss on bunkers	12,475	15,265
Total voyage expenses	\$ 57,949	\$ 259,600

**General and Administrative
Expenses**

**6 Months Ended
Jun. 30, 2020**

**General and Administrative
Expenses [Abstract]**

**General and Administrative
Expenses**

13. General and Administrative Expenses:

General and administrative expenses include costs in relation to the administration of the Company and its non-recurring public registration costs.

Company Administration Expenses: The amounts in the accompanying unaudited interim condensed consolidated statements of comprehensive income/(loss) are analyzed as follows:

	Six months ended June 30, 2019	Six months ended June 30, 2020
Audit fees	\$ 40,585	\$ 48,640
Board members and executive compensation	6,000	16,000
Other professional fees	66,835	172,996
Total	\$ 113,420	\$ 237,636

Public Registration Costs: During the six month period ended June 30, 2019, the Company incurred public registration costs of \$132,091. Public registration costs related to the costs incurred by the Company in connection with the Company's registration and listing of its 2,400,000 issued and outstanding common shares on the Nasdaq on February 11, 2019. Apart from registration and listing costs, public registration costs further include legal, consultancy and other costs incurred in connection with the subject listings.

Interest and Finance Costs

**6 Months Ended
Jun. 30, 2020**

[Interest and Finance Costs](#)

[\[Abstract\]](#)

[Interest and Finance Costs](#)

14. Interest and Finance Costs:

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

	Six months ended June 30, 2019	Six months ended June 30, 2020
Interest on long-term debt – third parties	\$ —	\$ 374,556
Interest on long-term debt – related party (Note 3 (c))	—	151,667
Interest on convertible debt – non cash (Note 6)	—	57,773
Amortization and write-off of deferred finance charges	—	541,441
Amortization and write-off of convertible notes beneficial conversion feature	—	532,437
Other finance charges	1,554	7,954
Total	\$ 1,554	\$ 1,665,828

Subsequent Events

**6 Months Ended
Jun. 30, 2020**

[Subsequent Events](#)

[\[Abstract\]](#)

[Subsequent Events](#)

15. Subsequent Events:

(a) **July Equity Offering:** On July 15, 2020, the Company completed a registered direct offering with certain unaffiliated institutional investors pursuant to which it issued and sold an aggregate of 57,750,000 of its common shares at an offering price of \$0.30 per common share, while, in a concurrent private placement the Company issued and sold warrants to purchase up to 57,750,000 of its common shares at an exercise price of \$0.35 per common share (the “July Equity Offering”). The July Equity Offering resulted in gross proceeds to the Company of approximately \$17.3 million.

(b) **Acquisition of New Panamax vessel (to be named M/V *Magic Horizon*):** On July 28, 2020, the Company entered into an agreement with an unaffiliated third party for the purchase of a secondhand Panamax dry bulk carrier vessel at a gross purchase price of \$12.75 million. The Company expects to finance the vessel acquisition with cash on hand that it raised in the June Equity Offering and the July Equity Offering and delivery of the vessel from its sellers is expected to take place at the end of the third quarter or the beginning of the fourth quarter of 2020.

(c) **Class A Warrants Update:** Subsequent to June 30, 2020 and up to September 8, 2020, there were subsequent exercises of 3,019,500 Class A Warrants which resulted in the issuance of an equivalent number of the Company’s common shares and proceeds to the Company of approximately \$1.1 million.

(d) **New Management Agreements with Castor Ships:** On September 1, 2020, the Company and its shipowning subsidiaries entered into a master management agreement (the “Master Agreement”) with Castor Ships S.A. (“Castor Ships”), a company ultimately beneficially owned by the Company’s Chairman, Chief Executive Officer and Chief Financial Officer. Pursuant to the terms of the Master Agreement each of the Company’s shipowning subsidiaries also entered into separate commercial shipmanagement agreements with Castor Ships (the “Commercial Shipmanagement Agreements” and together with the Master Agreement, the “Castor Ships Management Agreements”). Under the terms of the Castor Ships Management Agreements, having all September 1, 2020 as their effective date, Castor Ships manages overall the Company’s business and provides commercial, chartering and administrative services, including, but not limited to, securing employment for the Company’s fleet, arranging and supervising the vessels’ commercial operations, handling all the Company’s vessel sale and purchase transactions, undertaking related shipping project and management advisory and support services, as well as other associated services requested from time to time by the Company and its shipowning subsidiaries. In exchange for these services, the Company and its subsidiaries will pay Castor Ships (i) a flat quarterly management fee in the amount of \$0.3 million for the management and administration of the Company’s business, (ii) a daily fee of \$250 per vessel for the provision of the services under the Commercial Shipmanagement Agreements, (iii) a commission rate of 1.25% on all charter agreements arranged by Castor Ships and (iv) a commission of 1% per transaction in connection with any sale or purchase of vessels for the Company.

The Castor Ships Management Agreements have a term of five years and such term automatically renews for successive five-year terms on each anniversary of the effective date, unless the agreements are terminated earlier in accordance with the provisions contained therein. In the event that the Castor Ships Management Agreements are terminated by the Company, or are terminated by Castor Ships due to a material breach of the Master Agreement by the Company or a change of control in the Company, Castor Ships shall be entitled to a termination fee equal to four times the total amount of the flat management fee and the per vessel management fees calculated on an annual basis.

(e) Revised Management Agreements with Pavimar: On September 1, 2020, the Company's shipowning subsidiaries entered into revised shipmanagement agreements with Pavimar which replaced the existing shipmanagement agreements in their entirety (the "Technical Shipmanagement Agreements"). Pursuant to the Technical Shipmanagement Agreements, effective September 1, 2020, Pavimar will continue to provide the range of technical, crewing, insurance and operational services stipulated in the previous agreements in exchange for which Pavimar will be paid a daily fee of \$600 per vessel, versus the previous daily fee of \$500 per vessel. The Pavimar Shipmanagement Agreements also provide for an automatically renewable five-year term and related termination provisions.

**Basis of Presentation and
General information
(Policies)**

6 Months Ended

Jun. 30, 2020

**[Basis of Presentation and
General information](#)**

[\[Abstract\]](#)

[Basis of Presentation](#)

The accompanying unaudited interim condensed consolidated financial statements include the accounts of Castor and its wholly owned subsidiaries and have been prepared in accordance with accounting principles generally accepted in the United States (“U.S. GAAP”) for interim financial information. Accordingly, they do not include all the information and notes required by U.S. GAAP for complete financial statements. These statements and the accompanying notes should be read in conjunction with the Company’s Annual Report on Form 20-F for the fiscal year ended December 31, 2019, filed with the U.S. Securities and Exchange Commission (the “SEC”) on March 31, 2020 (the “2019 Annual Report”).

[Change of Fiscal Year](#)

On September 27, 2019, the Company’s Board of Directors authorized a change in Castor’s fiscal year end from September 30 to December 31. As a result, the Company’s comparative unaudited interim condensed consolidated financial statements have been prepared on the basis of the revised fiscal year end. In the opinion of management, these financial statements reflect all adjustments which include normal recurring adjustments considered necessary for a fair presentation of the Company’s financial position, results of operations and cash flows for the periods presented. Operating results for the six-month period ended June 30, 2020 are not necessarily indicative of the results that might be expected for the fiscal year ending December 31, 2020.

**Significant Accounting
Policies and Recent
Accounting Pronouncements
(Policies)**

6 Months Ended

Jun. 30, 2020

**[Significant Accounting
Policies and Recent
Accounting Pronouncements](#)**

[\[Abstract\]](#)

**[Convertible Debt and
Associated Beneficial
Conversion Features](#)**

Convertible debt and associated beneficial conversion features

Convertible debt is accounted in accordance with ASC 470-20, Debt with Conversion and Other Options. An instrument that is not a derivative itself must be evaluated for embedded features that should be bifurcated and separately accounted for as freestanding derivatives in accordance with ASC 815, Derivatives and Hedging, or separately accounted for under the cash conversion literature of ASC 470-20, Debt with Conversion and Other Options.

In relation to the Company's issued \$5.0 million senior unsecured convertible debentures (Note 6), the terms of each convertible debenture included an embedded conversion feature which provided for a conversion at the option of the holder into shares of common stock at an adjustable conversion ratio. The Company determined that the conversion features were beneficial conversion features ("BCF") pursuant to ASC 470-20. The Company considered the BCF guidance only after determining that the features did not need to be bifurcated under ASC 815, Derivatives and Hedging, or separately accounted for under the cash conversion literature of ASC 470-20, Debt with Conversion and Other Options.

The BCF is recognized separately at issuance by allocating a portion of the proceeds equal to the intrinsic value of the BCF to additional paid-in capital, resulting in a discount on the convertible instrument. This discount is accreted from the date on which the BCF is first recognized through the stated maturity date of the convertible instrument using the effective interest method. Upon conversion of an instrument with a BCF, all unamortized discounts at the conversion date are recognized immediately as interest expense.

Recent Accounting Pronouncements:

There are no recent accounting pronouncements the adoption of which are expected to have a material effect on the Company's unaudited interim consolidated condensed financial statements in the current period.

**[Recent Accounting
Pronouncements](#)**

**Basis of Presentation and
General Information
(Tables)**

**[Basis of Presentation and General
information \[Abstract\]
Consolidated Subsidiaries](#)**

**6 Months Ended
Jun. 30, 2020**

As of June 30, 2020, the Company was the sole owner of all outstanding shares of the following subsidiary companies:

Vessel owning subsidiaries consolidated:

Company	Country of incorporation	Vessel Name	DWT	Year Built	Delivery date to Castor
Spetses Shipping Co. ("Spetses")	Marshall Islands	<i>Magic P</i>	76,453	2004	February 2017
Bistro Maritime Co. ("Bistro")	Marshall Islands	<i>Magic Sun</i>	75,311	2001	September 2019
Pikachu Shipping Co. ("Pikachu")	Marshall Islands	<i>Magic Moon</i>	76,602	2005	October 2019

Subsidiaries consolidated formed to acquire vessel:

Company	Country of incorporation
Bagheera Shipping Co. ("Bagheera")	Marshall Islands

**Transactions with Related
Parties (Tables)**

**6 Months Ended
Jun. 30, 2020**

[Transactions with Related
Parties \[Abstract\]](#)

[Transactions with Related
Parties](#)

During the six month periods ended June 30, 2019 and 2020, the Company incurred the following charges in connection with related party transactions, which are included in the accompanying unaudited interim condensed consolidated statements of comprehensive income/(loss):

	<u>Six months ended June 30, 2019</u>	<u>Six months ended June 30, 2020</u>
Management fees-related party		
Management fees (a)	\$ 57,920	\$ 273,000
Included in Voyage expenses		
Charter hire commissions (b)	\$ 23,901	\$ —
Included in Interest and finance costs		
Interest expenses (c)	\$ —	\$ 151,667

As of December 31, 2019 and June 30, 2020, balances with related parties consisted of the following:

	<u>December 31, 2019</u>	<u>June 30, 2020</u>
Assets:		
Working capital advances granted to the Manager (a)	\$ 759,386	\$ 470,848
Liabilities:		
Related party debt (c)	<u>\$ 5,000,000</u>	<u>\$5,000,000</u>

**Deferred charges, net
(Tables)**

**6 Months Ended
Jun. 30, 2020**

Deferred charges, net

[Abstract]

**Deferred Dry-Docking Costs,
Net**

The movement in the deferred dry-docking costs, net in the accompanying unaudited interim consolidated balance sheets, is as follows:

	Dry-docking costs
Balance December 31, 2019	\$ —
Additions	564,766
Amortization	(33,692)
Balance June 30, 2020	\$ 531,074

Vessels, net (Tables)

**6 Months Ended
Jun. 30, 2020**

[Vessels, net \[Abstract\]](#)

[Vessels, Net](#)

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

	<u>Vessel Cost</u>	<u>Accumulated depreciation</u>	<u>Net Book Value</u>
Balance December 31, 2019	\$24,810,061	\$ (1,110,032)	\$23,700,029
Additions and other improvements to fleet vessels	484,564	—	484,564
Period depreciation	—	(660,680)	(660,680)
Balance June 30, 2020	<u>\$25,294,625</u>	<u>\$ (1,770,712)</u>	<u>\$23,523,913</u>

Long-Term Debt (Tables)

**6 Months Ended
Jun. 30, 2020**

[Long-Term Debt \[Abstract\]](#) [Long-Term Debt Including Related Party Debt](#)

The amount of long-term debt (including related party debt discussed under Note 3) shown in the accompanying consolidated balance sheet of June 30, 2020, is analyzed as follows:

Debt instruments	Borrowers- Issuers	Year / Period Ended	
		December 31, 2019	June 30, 2020
	Spetses- Pikachu	\$ 11,000,000	\$10,200,000
	\$4.5 Million Chailease Financial Services Facility (b) Bistro	—	4,350,000
Total long-term debt		\$ 11,000,000	\$14,550,000
Less: Deferred financing costs		(242,940)	(321,780)
Total long-term debt, net of deferred finance costs		\$ 10,757,060	14,228,220

Presented:

Current portion of long-term debt		\$ 1,600,000	\$ 2,200,000
Less: Current portion of deferred finance costs		(77,105)	(108,938)
Current portion of long-term debt, net of deferred finance costs		\$ 1,522,895	\$ 2,091,062
Non-Current portion of long-term debt		9,400,000	12,350,000
Less: Non-Current portion of deferred finance costs		(165,835)	(212,842)
Non-Current portion of long-term debt, net of deferred finance costs		\$ 9,234,165	\$12,137,158

Debt instruments from related party

\$5.0 Million Term Loan Facility (Note 3(c))	Castor	5,000,000	5,000,000
Total long-term debt from related party		\$ 5,000,000	\$ 5,000,000

[Annual Principal Payments](#)

The annual principal payments for the Company's outstanding debt arrangements as of June 30, 2020 (including related party debt discussed under Note 3), required to be made after the balance sheet date, are as follows:

Twelve-month period ending June 30,	Amount
2021	\$ 7,200,000
2022	2,200,000
2023	2,200,000
2024	2,200,000
2025	5,750,000
Total long-term debt (including related party debt)	\$19,550,000

Loss Per Share (Tables)

6 Months Ended Jun. 30, 2020

[Loss Per Share \[Abstract\]](#)

[Calculation of Basic and](#)

[Diluted Loss per Share](#)

The components of the calculation of basic and diluted net loss per common share in each of the periods comprising the accompanying consolidated unaudited interim condensed statements of comprehensive income/(loss) are as follows:

	<u>Six months ended</u> <u>June 30,</u>	<u>Six months ended</u> <u>June 30,</u>
	<u>2019</u>	<u>2020</u>
Net income/(loss) and comprehensive income/(loss)	\$ 316,572	\$ (404,468)
Less: Cumulative dividends on Series A Preferred Shares	(1,670,819)	—
Net loss and comprehensive loss available to common shareholders	(1,354,247)	(404,468)
Weighted average number of common shares outstanding, basic and diluted	2,400,000	8,027,649
Net loss per common share, basic and diluted	\$ (0.56)	\$ (0.05)

**Vessel Operating and Voyage
Expenses (Tables)**

**6 Months Ended
Jun. 30, 2020**

[Vessel Operating and Voyage
Expenses \[Abstract\]](#)

[Vessel Operating Expenses](#)

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

	Six months ended June 30, 2019	Six months ended June 30, 2020
Vessel Operating Expenses		
Crew & crew related costs	\$ 443,372	\$ 1,291,082
Repairs & maintenance, spares, stores, classification, chemicals & gases, paints, victualling	223,111	848,575
Lubricants	75,366	130,009
Insurances	60,884	193,912
Tonnage taxes	18,455	53,840
Other	53,072	86,918
Total vessel operating expenses	\$ 874,260	\$ 2,604,336
	Six months ended June 30, 2019	Six months ended June 30, 2020
Voyage expenses		
Brokerage commissions	\$ 33,579	\$ 66,585
Port & other expenses	11,895	55,281
Bunkers consumption	—	122,469
Loss on bunkers	12,475	15,265
Total voyage expenses	\$ 57,949	\$ 259,600

[Voyage Expenses](#)

**General and Administrative
Expenses (Tables)**

General and Administrative Expenses
[Abstract]

Company Administration Expenses

**6 Months Ended
Jun. 30, 2020**

are analyzed as follows:

	Six months ended June 30, 2019	Six months ended June 30, 2020
Audit fees	\$ 40,585	\$ 48,640
Board members and executive compensation	6,000	16,000
Other professional fees	66,835	172,996
Total	\$ 113,420	\$ 237,636

**Interest and Finance Costs
(Tables)**

**6 Months Ended
Jun. 30, 2020**

[Interest and Finance Costs](#)

[\[Abstract\]](#)

[Interest and Finance Costs](#)

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

	Six months ended June 30, 2019	Six months ended June 30, 2020
Interest on long-term debt – third parties	\$ —	\$ 374,556
Interest on long-term debt – related party (Note 3 (c))	—	151,667
Interest on convertible debt – non cash (Note 6)	—	57,773
Amortization and write-off of deferred finance charges	—	541,441
Amortization and write-off of convertible notes beneficial conversion feature	—	532,437
Other finance charges	1,554	7,954
Total	\$ 1,554	\$ 1,665,828

**Basis of Presentation and
General information,
General Information Jun. 30, 2020
(Details) - Thalassa
[Member]**

[Series B Preferred Shares \[Member\]](#)

[General Information \[Abstract\]](#)

[Percentage of shares held](#) 100.00%

[Common Shares \[Member\]](#)

[General Information \[Abstract\]](#)

[Percentage of shares held](#) 1.60%

**Basis of Presentation and
General information,
Consolidated Subsidiaries
(Details)**

**6 Months Ended
Jun. 30, 2020
t**

[Spetses Shipping Co. \[Member\]](#)

[Subsidiaries in Consolidation \[Abstract\]](#)

[Country of incorporation](#)

1T

[Vessel name](#)

Magic P

[Spetses Shipping Co. \[Member\] | Magic P \[Member\]](#)

[Subsidiaries in Consolidation \[Abstract\]](#)

[DWT](#)

76,453

[Year built](#)

2004

[Delivery date to Castor](#)

2017-02

[Bistro Maritime Co. \[Member\]](#)

[Subsidiaries in Consolidation \[Abstract\]](#)

[Country of incorporation](#)

1T

[Vessel name](#)

Magic Sun

[Bistro Maritime Co. \[Member\] | Magic Sun \[Member\]](#)

[Subsidiaries in Consolidation \[Abstract\]](#)

[DWT](#)

75,311

[Year built](#)

2001

[Delivery date to Castor](#)

2019-09

[Pikachu Shipping Co. \[Member\]](#)

[Subsidiaries in Consolidation \[Abstract\]](#)

[Country of incorporation](#)

1T

[Vessel name](#)

Magic Moon

[Pikachu Shipping Co. \[Member\] | Magic Moon \[Member\]](#)

[Subsidiaries in Consolidation \[Abstract\]](#)

[DWT](#)

76,602

[Year built](#)

2005

[Delivery date to Castor](#)

2019-10

[Bagheera Shipping Co. \[Member\]](#)

[Subsidiaries in Consolidation \[Abstract\]](#)

[Country of incorporation](#)

1T

**Significant Accounting
Policies and Recent
Accounting Pronouncements
(Details) - USD (\$)**

**Jun. 30, Jun. 08, Feb. 19, Feb. 10, Jan. 27,
2020 2020 2020 2020 2020**

\$ in Millions

[\\$5.0 Million Convertible Debentures \[Member\]](#)

[Convertible Debt and Associated Beneficial Conversion](#)

[Features \[Abstract\]](#)

[Face amount](#)

\$ 5.0 \$ 5.0 \$ 1.5 \$ 1.5 \$ 2.0

Transactions with Related Parties, Summary (Details) - USD (\$)	6 Months Ended		
	Jun. 30, 2020	Jun. 30, 2019	Dec. 31, 2019
<u>Transactions with Related Parties [Abstract]</u>			
<u>Management fees</u>	\$ 273,000	\$ 57,920	
<u>Interest expenses</u>	151,667	0	
<u>Balances with Related Parties [Abstract]</u>			
<u>Working capital advances granted to the Manager Pavimar [Member] Vessel Management Agreements [Member]</u>	470,848		\$ 759,386
<u>Transactions with Related Parties [Abstract]</u>			
<u>Management fees</u>	273,000	57,920	
<u>Balances with Related Parties [Abstract]</u>			
<u>Working capital advances granted to the Manager Alexandria [Member] Commercial Management Services [Member] Voyage Expenses [Member]</u>	470,848		759,386
<u>Transactions with Related Parties [Abstract]</u>			
<u>Charter hire commissions</u>	0	23,901	
<u>Thalassa [Member] Interest and Finance Costs [Member]</u>			
<u>Transactions with Related Parties [Abstract]</u>			
<u>Interest expenses</u>	151,667	\$ 0	
<u>Thalassa [Member] \$5.0 Million Term Loan Facility [Member]</u>			
<u>Balances with Related Parties [Abstract]</u>			
<u>Related party debt</u>	5,000,000		\$ 5,000,000
<u>Thalassa [Member] \$5.0 Million Term Loan Facility [Member] Interest and Finance Costs [Member]</u>			
<u>Transactions with Related Parties [Abstract]</u>			
<u>Interest expenses</u>	\$ 151,667		

Transactions with Related Parties, Pavimar (Details)	6 Months Ended				
	Jun. 30, 2020 USD (\$) \$/ d	Jun. 30, 2019 USD (\$)	Dec. 31, 2019 USD (\$)	Nov. 13, 2017 \$/ d	Nov. 12, 2017 \$/ d
<u>Transactions with Related Parties [Abstract]</u>					
<u>Management fees to related party</u>	\$ 273,000	\$ 57,920			
<u>Due from related party</u>	470,848		\$ 759,386		
<u>Pavimar [Member] Vessel Management Agreements [Member]</u>					
<u>Transactions with Related Parties [Abstract]</u>					
<u>Management fees to related party</u>	273,000	\$ 57,920			
<u>Due from related party</u>	\$ 470,848		\$ 759,386		
<u>Pavimar [Member] Vessel Management Agreement - Magic P [Member]</u>					
<u>Transactions with Related Parties [Abstract]</u>					
<u>Daily fee for services \$ / d</u>	500			320	250
<u>Pavimar [Member] Vessel Management Agreement - Magic Sun [Member]</u>					
<u>Transactions with Related Parties [Abstract]</u>					
<u>Daily fee for services \$ / d</u>	500				
<u>Pavimar [Member] Vessel Management Agreement - Magic Moon [Member]</u>					
<u>Transactions with Related Parties [Abstract]</u>					
<u>Daily fee for services \$ / d</u>	500				

**Transactions with Related
Parties, Alexandria
Enterprises S.A. (Details) -
Alexandria [Member] - USD
(\$)**

6 Months Ended

Jun. 30, 2020 Jun. 30, 2019 Dec. 31, 2019

Transactions with Related Parties [Abstract]

Due to related party \$ 0 \$ 0

Commercial Services [Member]

Transactions with Related Parties [Abstract]

Commission rate 1.25%

Commercial Services [Member] | Voyage Expenses [Member]

Transactions with Related Parties [Abstract]

Charter hire commissions \$ 0 \$ 23,901

**Transactions with Related
Parties, Thalassa (Details) -
USD (\$)**

6 Months Ended
Jun. 30, Jun. 30, Dec. 31,
2020 2019 2019

Transactions with Related Parties [Abstract]

Interest expenses

\$ 151,667 \$ 0

Thalassa [Member] | Interest and Finance Costs [Member]

Transactions with Related Parties [Abstract]

Interest expenses

151,667 \$ 0

Thalassa [Member] | \$5.0 Million Term Loan Facility [Member]

Transactions with Related Parties [Abstract]

Long-term debt, related party

5,000,000 \$
5,000,000

Repayment of loan

0

Thalassa [Member] | \$5.0 Million Term Loan Facility [Member] | Interest and Finance Costs [Member]

Transactions with Related Parties [Abstract]

Interest expenses

\$ 151,667

Deferred charges, net (Details)	6 Months Ended Jun. 30, 2020 USD (\$)
Deferred charges, net [Abstract]	
Balance at beginning of period	\$ 0
Additions	564,766
Amortization	(33,692)
Balance at end of period	\$ 531,074

Vessels, net (Details)	6 Months Ended Jun. 30, 2020 USD (\$)
<u>Net Book Value [Abstract]</u>	
<u>Beginning balance</u>	\$ 23,700,029
<u>Ending balance</u>	23,523,913
<u>Vessels [Member]</u>	
<u>Vessel Cost [Abstract]</u>	
<u>Beginning balance</u>	24,810,061
<u>Additions and other improvements to fleet vessels</u>	484,564
<u>Ending balance</u>	25,294,625
<u>Accumulated Depreciation [Abstract]</u>	
<u>Beginning balance</u>	(1,110,032)
<u>Period depreciation</u>	(660,680)
<u>Ending balance</u>	(1,770,712)
<u>Net Book Value [Abstract]</u>	
<u>Beginning balance</u>	23,700,029
<u>Ending balance</u>	\$ 23,523,913

Long-Term Debt, Long-Term Debt Including Related Party Debt (Details) - USD (\$)	6 Months Ended		
	Jun. 30, 2020	Jan. 23, 2020	Dec. 31, 2019
<u>Debt Instruments [Abstract]</u>			
<u>Long-term debt</u>	\$ 14,550,000		\$ 11,000,000
<u>Less: Deferred financing costs</u>	(321,780)		(242,940)
<u>Total long-term debt, net of deferred finance costs</u>	14,228,220		10,757,060
<u>Presented [Abstract]</u>			
<u>Current portion of long-term debt</u>	2,200,000		1,600,000
<u>Less: Current portion of deferred finance costs</u>	(108,938)		(77,105)
<u>Current portion of long-term debt, net of deferred finance costs</u>	2,091,062		1,522,895
<u>Non-Current portion of long-term debt</u>	12,350,000		9,400,000
<u>Less: Non-Current portion of deferred finance costs</u>	(212,842)		(165,835)
<u>Non-Current portion of long-term debt, net of deferred finance costs</u>	12,137,158		9,234,165
<u>Thalassa [Member]</u>			
<u>Debt Instruments [Abstract]</u>			
<u>Long-term debt</u>	5,000,000		5,000,000
<u>\$11.0 Million Alpha Bank Financing [Member]</u>			
<u>Debt Instruments [Abstract]</u>			
<u>Face amount</u>	\$ 11,000,000		
<u>Borrowers - Issuers</u>	Spetses- Pikachu		
<u>Long-term debt</u>	\$ 10,200,000		11,000,000
<u>\$4.5 Million Chailease Financial Services Facility [Member]</u>			
<u>Debt Instruments [Abstract]</u>			
<u>Face amount</u>	\$ 4,500,000	\$ 4,500,000	
<u>Borrowers - Issuers</u>	Bistro		
<u>Long-term debt</u>	\$ 4,350,000		0
<u>\$5.0 Million Term Loan Facility [Member] Thalassa [Member]</u>			
<u>Debt Instruments [Abstract]</u>			
<u>Face amount</u>	\$ 5,000,000		
<u>Borrowers - Issuers</u>	Castor		
<u>Long-term debt</u>	\$ 5,000,000		\$ 5,000,000

**Long-Term Debt, \$11.0
Million Alpha Bank Facility Jun. 30, 2020
(Details) USD (\$)
\$ in Millions**

[\\$11.0 Million Alpha Bank Financing \[Member\]](#)

[Long-Term Debt \[Abstract\]](#)

[Face amount](#) \$ 11.0

**Long-Term Debt, \$4.5
Million Chailease Financing
Services Facility (Details)**

	6 Months Ended	
	Jun. 30, 2020	Jan. 23, 2020
	USD (\$)	USD (\$)
	Installment	
<u>Long-Term Debt [Abstract]</u>		
<u>Cash Collateral deposit</u>		\$ 400,000
<u>Cash Collateral deposit, current</u>	\$ 200,000	
<u>Prepaid Expense and Other Assets, Non-Current [Member]</u>		
<u>Long-Term Debt [Abstract]</u>		
<u>Cash Collateral deposit, noncurrent</u>	200,000	
<u>\$4.5 Million Chailease Financial Services Facility [Member]</u>		
<u>Long-Term Debt [Abstract]</u>		
<u>Face amount</u>	\$ 4,500,000	\$ 4,500,000
<u>Number of payment installments Installment</u>	20	
<u>Frequency of periodic payment</u>	Quarterly	
<u>Quarterly installment amount</u>	\$ 150,000	
<u>\$4.5 Million Chailease Financial Services Facility [Member] LIBOR [Member]</u>		
<u>Long-Term Debt [Abstract]</u>		
<u>Margin on variable rate</u>	4.50%	

Long-Term Debt, \$5.0 Million Convertible Debentures (Details)	1 Months Ended		4 Months Ended		6 Months Ended		Feb. 10, 2020 USD (\$)
	Jan. 27, 2020 USD (\$)	Feb. 19, 2020 USD (\$)	Jun. 08, 2020 USD (\$)	Jun. 08, 2020 USD (\$)	Jun. 30, 2020 USD (\$)	Jun. 30, 2019 USD (\$)	

Long-Term Debt [Abstract]

Converted amount of debt

\$ 5,057,773 \$ 0

\$5.0 Million Convertible Debentures [Member]

Long-Term Debt [Abstract]

Number of unsecured convertible debentures issued and sold | Debenture

3

Face amount

\$ 2,000,000 \$ 1,500,000 \$ 5,000,000 \$ 5,000,000 \$ 5,000,000 \$ 1,500,000

Maturity period

12 months

Interest rate

6.00%

Conversion price (in dollars per share) | \$ / shares

\$ 2.25

Percentage of common stock price paid if redemption price is paid in common shares

90.00%

Number of trading days | d

10

Converted amount of debt

\$ 5,057,773

Shares issued upon conversion of debt (in shares) | shares

8,042,078 8,042,078

Aggregate amount of BCF

\$ 532,437

**Long-Term Debt, Annual
Principal Payments (Details)
- USD (\$)**

**6 Months Ended
Jun. 30, 2020 Dec. 31, 2019**

Long-Term Debt [Abstract]

<u>Restricted cash</u>	\$ 500,000	\$ 500,000
------------------------	------------	------------

Annual Principal Payments [Abstract]

<u>Total long-term debt</u>	14,550,000	11,000,000
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<u>Interest incurred on long-term debt</u>	583,996	
--------------------------------------------	---------	--

\$11.0 Million Alpha Bank Financing [Member]

Long-Term Debt [Abstract]

<u>Restricted cash</u>	500,000	500,000
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<u>Minimum liquidity deposit per vessel</u>	250,000	
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Annual Principal Payments [Abstract]

<u>Total long-term debt</u>	10,200,000	\$ 11,000,000
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Long-Term Debt (Including Related Party Debt) [Member]

Annual Principal Payments [Abstract]

<u>2021</u>	7,200,000	
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<u>2022</u>	2,200,000	
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<u>2023</u>	2,200,000	
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<u>2024</u>	2,200,000	
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<u>2025</u>	5,750,000	
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<u>Total long-term debt</u>	\$ 19,550,000	
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<u>Weighted average interest rate</u>	5.40%	
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**Equity Capital Structure,
Capital Stock (Details) - \$ /
shares**

Jun. 30, 2020 Dec. 31, 2019

Equity Capital Structure [Abstract]

<u>Capital, authorized (in shares)</u>	2,000,000,000	2,000,000,000
<u>Capital shares, par value (in dollars per share)</u>	\$ 0.001	\$ 0.001
<u>Common shares, shares authorized (in shares)</u>	1,950,000,000	1,950,000,000
<u>Preferred shares, authorized (in shares)</u>	50,000,000	50,000,000

**Equity Capital Structure,
Issuance of Common Stock
in Connection with
Convertible Debentures
(Details) - \$5.0 Million
Convertible Debentures
[Member] - USD (\$)
\$ in Millions**

4 Months Ended

	Jun. 08, 2020	Jun. 08, 2020	Jun. 30, 2020	Feb. 19, 2020	Feb. 10, 2020	Jan. 27, 2020
Equity Capital Structure [Abstract]						
Shares issued upon conversion of debt (in shares)	8,042,078	8,042,078				
Face amount	\$ 5.0	\$ 5.0	\$ 5.0	\$ 1.5	\$ 1.5	\$ 2.0

Equity Capital Structure, Underwritten Common Stock and Class A Warrants Follow-On Offering (Details)	Jun. 30, 2020 USD (\$) \$ / shares shares	Jun. 26, 2020 USD (\$) shares	6 Months Ended		Jun. 23, 2020 \$ / shares shares
			Jun. 30, 2020 USD (\$) \$ / shares shares	Jun. 30, 2019 USD (\$)	
Equity Capital Structure [Abstract]					
Gross proceeds from issuance of common stock and warrants \$			\$	20,671,500	\$ 0
Term of warrant	5 years		5 years		
Warrants exercised (in shares)	0				
Warrants outstanding (in shares)	59,110,000		59,110,000		
Fair value of warrants \$	\$		\$		
	22,400,000		22,400,000		
Class A Warrant [Member]					
Equity Capital Structure [Abstract]					
Warrant exercise price per share (in dollars per share) \$ / shares	\$ 0.35		\$ 0.35		
Percentage increase in volatility causing increase in fair value of warrants			5.00%		
Percentage increase in fair value of warrants due to increase in volatility			1.40%		
Class A Warrant [Member] Historical Volatility Measurement Input [Member]					
Equity Capital Structure [Abstract]					
Measurement input	1.535		1.535		
Common Stock [Member]					
Equity Capital Structure [Abstract]					
Issuance of common stock (in shares)			59,082,686		
June Equity Offering [Member]					
Equity Capital Structure [Abstract]					
Number of units included in June Equity Offering (in shares)					59,110,000
Issuance of common stock (in shares)		59,082,686			
Issuance of warrants (in shares)		59,110,000			
Gross proceeds from issuance of common stock and warrants \$		\$	20,700,000		
Net proceeds from issuance of common stock and warrants \$		\$	18,600,000		
June Equity Offering [Member] Prefunded Warrant [Member]					
Equity Capital Structure [Abstract]					
Number of securities included in each unit offered (in shares)					1
Number of securities called by each warrant (in shares)					1

Warrant exercise price per share (in dollars per share) \$ / shares	\$ 0.01
June Equity Offering [Member] Class A Warrant [Member]	
Equity Capital Structure [Abstract]	
Number of securities included in each unit offered (in shares)	1
Number of securities called by each warrant (in shares)	1
Warrant exercise price per share (in dollars per share) \$ / shares	\$ 0.35
June Equity Offering [Member] Class A and Prefunded Warrant [Member]	
Equity Capital Structure [Abstract]	
Warrant exercise price per share (in dollars per share) \$ / shares	\$ 0.34
June Equity Offering [Member] Common Stock [Member]	
Equity Capital Structure [Abstract]	
Number of securities included in each unit offered (in shares)	1
Over-Allotment Option [Member]	
Equity Capital Structure [Abstract]	
Issuance of units (in shares)	7,710,000

**Financial Instruments and
Fair Value Disclosures
(Details) - USD (\$)
\$ in Millions**

Jun. 30, 2020 Jan. 23, 2020

[\\$11.0 Million Alpha Bank Financing \[Member\]](#)

[Financial Instruments and Fair Value Disclosures \[Abstract\]](#)

[Face amount](#) \$ 11.0

[\\$4.5 Million Chailease Financial Services Facility \[Member\]](#)

[Financial Instruments and Fair Value Disclosures \[Abstract\]](#)

[Face amount](#) 4.5 \$ 4.5

[\\$5.0 Million Term Loan Facility \[Member\] | Thalassa \[Member\]](#)

[Financial Instruments and Fair Value Disclosures \[Abstract\]](#)

[Face amount](#) \$ 5.0

**Commitments and
contingencies (Details)**
€ in Millions

6 Months Ended
Jun. 30, Jun. 30, Jun. 30,
2020 2019 2020
USD (\$) USD (\$) EUR (€)
€ / \$ € / \$

Commitments under long-term lease contracts [Abstract]

<u>Address Commissions</u>	\$ 282,059	\$ 88,154	
<u>Amortization of deferred ballast revenue</u>	430,994	\$ 0	
<u>Lease income</u>	5,200,000		
<u>Future minimum contracted lease payments due within next 12 months</u>	1,900,000		

Purchase Commitment for Ballast Water Management Systems [Member]

Commitments Under Contracts for BWMS Installation [Abstract]

<u>Contractual purchase obligations</u>	\$ 800,000		€ 0.7
<u>Exchange rate € / \$</u>	0.8891		0.8891

Purchase Commitment for Ballast Water Management Systems [Member] | Prepaid Expenses and Other Current Assets [Member]

Commitments Under Contracts for BWMS Installation [Abstract]

<u>Advances for purchase commitment</u>	\$ 39,969		
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**Loss Per Share (Details) -
USD (\$)**

6 Months Ended
Jun. 30, Jun. 30,
2020 2019

Loss Per Share [Abstract]

Dilutive shares (in shares)

0

Net income/(loss)

\$ (404,468) \$ 316,572

Comprehensive income/(loss)

(404,468) 316,572

Less: Cumulative dividends on Series A Preferred Shares

0 (1,670,819)

Net loss and comprehensive loss available to common shareholders

\$ (404,468) \$ (1,354,247)

Weighted average number of common shares outstanding, basic and diluted (in shares)

8,027,649 2,400,000

Net loss per common share, basic and diluted (in dollars per share)

\$ (0.05) \$ (0.56)

Class A Warrants [Member]

Loss Per Share [Abstract]

Antidilutive securities excluded from computation of diluted loss per share (in shares)

59,110,000

**Vessel Operating and Voyage
Expenses (Details) - USD (\$)**

6 Months Ended
Jun. 30, Jun. 30,
2020 2019

Vessel Operating Expenses [Abstract]

<u>Crew & crew related costs</u>	\$ 1,291,082	\$ 443,372
<u>Repairs & maintenance, spares, stores, classification, chemicals & gases, paints, victualling</u>	848,575	223,111
<u>Lubricants</u>	130,009	75,366
<u>Insurances</u>	193,912	60,884
<u>Tonnage taxes</u>	53,840	18,455
<u>Other</u>	86,918	53,072
<u>Total vessel operating expenses</u>	2,604,336	874,260

Voyage Expenses [Abstract]

<u>Brokerage commissions</u>	66,585	33,579
<u>Port & other expenses</u>	55,281	11,895
<u>Bunkers consumption</u>	122,469	0
<u>Loss on bunkers</u>	15,265	12,475
<u>Total voyage expenses</u>	\$ 259,600	\$ 57,949

General and Administrative Expenses (Details) - USD (\$)	6 Months Ended		Dec. 31, 2019	Feb. 11, 2019	Dec. 21, 2018
	Jun. 30, 2020	Jun. 30, 2019			
<u>General and Administrative Expenses</u>					
<u>[Abstract]</u>					
<u>Audit fees</u>	\$ 48,640	\$ 40,585			
<u>Board members and executive compensation</u>	16,000	6,000			
<u>Other professional fees</u>	172,996	66,835			
<u>Total</u>	237,636	113,420			
<u>Public registration costs</u>	\$ 0	\$ 132,091			
<u>Common shares, issued (in shares)</u>	70,442,876		3,318,112	2,400,000	2,400,000
<u>Common shares, outstanding (in shares)</u>	70,442,876		3,318,112	2,400,000	2,400,000

Interest and Finance Costs
(Details) - USD (\$)

6 Months Ended
Jun. 30, 2020 Jun. 30, 2019

Interest and Finance Costs [Abstract]

<u>Interest on long-term debt - third parties</u>	\$ 374,556	\$ 0
<u>Interest on long-term debt - related party (Note 3 (c))</u>	151,667	0
<u>Interest on convertible debt - non cash (Note 6)</u>	57,773	0
<u>Amortization and write-off of deferred finance charges</u>	541,441	0
<u>Amortization and write-off of convertible notes beneficial conversion feature</u>	532,437	0
<u>Other finance charges</u>	7,954	1,554
<u>Total</u>	\$ 1,665,828	\$ 1,554

Subsequent Events (Details)	Sep. 01, 2020 USD (\$) \$/ d	Jul. 15, 2020 USD (\$) \$/ shares shares	2 Months Ended		6 Months Ended	
			Sep. 08, 2020 USD (\$) shares	Jun. 30, 2020 USD (\$) \$/ shares	Jun. 30, 2019 USD (\$)	Jul. 28, 2020 USD (\$)
Registered Direct Offering [Abstract]						
Gross proceeds from issuance of common stock and warrants					\$ 20,671,500	\$ 0
Class A Warrants [Member]						
Registered Direct Offering [Abstract]						
Warrant exercise price (in dollars per share) \$ / shares					\$ 0.35	
Subsequent Event [Member] Castor Ships [Member] Management Agreements [Member]						
Management Agreements [Abstract]						
Quarterly management fee	\$ 300,000					
Daily fee per vessel for services \$ / d	250					
Commission rate on charter agreements	1.25%					
Commission rate in connection with sale or purchase of vessels	1.00%					
Term of agreements	5 years					
Renewal term of agreements	5 years					
Termination fee multiplier	4					
Subsequent Event [Member] Pavimar [Member] Technical Shipmanagement Agreements [Member]						
Management Agreements [Abstract]						
Daily fee per vessel for services \$ / d	600					
Subsequent Event [Member] Class A Warrants [Member]						
Class A Warrants Update [Abstract]						
Warrants exercised (in shares) shares			3,019,500			
Proceeds from exercise of warrants			\$ 1,100,000			
Subsequent Event [Member] Panamax Vessel [Member]						
Acquisition of New Panamax Vessel [Abstract]						
Purchase price of vessel						\$ 12,750,000
Subsequent Event [Member] July Equity Offering [Member]						

Registered Direct Offering [Abstract]

Gross proceeds from issuance of common stock and warrants \$ 17,300,000

Subsequent Event [Member] | Registered Direct Offering [Member]

Registered Direct Offering [Abstract]

Issuance of common stock (in shares) | shares 57,750,000

Offering price (in dollars per share) | \$ / shares \$ 0.30

Subsequent Event [Member] | Private Placement [Member]

Registered Direct Offering [Abstract]

Number of securities called by warrants (in shares) | shares 57,750,000

Warrant exercise price (in dollars per share) | \$ / shares \$ 0.35