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 November 2024

Commission File Number: 001-41561

TORO CORP.

(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 ☐

INFORMATION CONTAINED IN THIS FORM 6-K REPORT

Attached to this report on Form 6-K as Exhibits 99.1 and 99.2 are the unaudited consolidated interim financial statements and related management's discussion and analysis of financial condition and results of operations of Toro Corp. for the nine months ended September 30, 2024.

The information contained in this report on Form 6-K and Exhibits 99.1 and 99.2 attached hereto are hereby incorporated by reference into the Company's registration statements on Form F-3 (File Nos. 333-275477 and 333-275478).

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.

Dated: November 12, 2024

TORO CORP.

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

Exhibit 99.1

INDEX TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

TORO CORP.
UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS
December 31, 2023 and September 30, 2024
(Expressed in U.S. Dollars – except for share data)

ASSETS	**Note**	**December 31, 2023**	**September 30, 2024**
CURRENT ASSETS:			
Cash and cash equivalents		$ 151,758,218	$ 192,116,731
Due from related parties, current	4	1,018,883	773,088
Accounts receivable trade, net		1,403,641	536,550
Inventories		172,716	207,332
Prepaid expenses and other assets		1,112,362	370,688
Investment in equity securities, current	7	—	282,767
Current assets of discontinued operations	3	9,669,748	952,316
Total current assets		**165,135,568**	**195,239,472**
NON-CURRENT ASSETS:			
Vessels, net	4,6	77,025,694	73,847,099
Due from related parties	4	1,590,501	1,590,501
Prepaid expenses and other assets, non-current		357,769	357,769
Deferred charges, net	5	178,700	1,303,517
Investment in equity securities	7	—	2,537,179
Investment in related party	4	50,541,667	50,569,444
Non-current assets of discontinued operations	3	13,274,231	—
Total non-current assets		**142,968,562**	**130,205,509**
Total assets		**$ 308,104,130**	**$ 325,444,981**
LIABILITIES, MEZZANINE EQUITY AND SHAREHOLDERS' EQUITY			
CURRENT LIABILITIES:			
Due to related parties	4	315,000	330,555
Accounts payable		1,748,857	1,366,381
Deferred revenue		310,000	984,000
Accrued liabilities		459,583	834,311
Current liabilities of discontinued operations	3	5,025,584	1,786,819
Total current liabilities		**7,859,024**	**5,302,066**
NON-CURRENT LIABILITIES:			
Non-current liabilities of discontinued operations	3	3,902,497	—
Total non-current liabilities		**3,902,497**	—
Commitments and contingencies	11		
MEZZANINE EQUITY:			
1.00% Series A fixed rate cumulative perpetual convertible preferred shares:140,000 shares issued and outstanding as of December 31, 2023, and September 30, 2024, respectively, aggregate liquidation preference of $140,000,000 as of December 31, 2023, and September 30, 2024, respectively	9	119,601,410	121,884,850
Total mezzanine equity		**119,601,410**	**121,884,850**
SHAREHOLDERS' EQUITY:			
Common shares, $0.001 par value: 3,900,000,000 shares authorized; 19,021,758 and 19,093,853 shares issued; 18,978,409 (net of treasury shares) and 19,093,853 shares outstanding as of December 31, 2023, and September 30, 2024, respectively	8,12	19,022	19,094
Preferred shares, $0.001 par value: 100,000,000 shares authorized; Series B preferred shares: 40,000 shares issued and outstanding as of December 31, 2023, and September 30, 2024, respectively	8	40	40
Additional paid-in capital		57,244,290	57,656,763
Treasury shares: 43,349 and 0 shares as of December 31, 2023, and September 30, 2024, respectively	8	(223,840)	—
Retained Earnings		119,701,687	140,582,168
Total shareholders' equity		**176,741,199**	**198,258,065**
Total liabilities, mezzanine equity and shareholders' equity		**$ 308,104,130**	**$ 325,444,981**

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

TORO CORP.
UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the nine months ended September 30, 2023 and 2024
(Expressed in U.S. Dollars – except for share data)

	Note	Nine months ended September 30, 2023	Nine months ended September 30, 2024
REVENUES:			
Time charter revenues	14	$ 605,850	$ 10,394,268
Voyage charter revenues	14	2,541,506	1,310,312
Pool revenues	14	11,860,168	5,460,901
Total vessel revenues		**15,007,524**	**17,165,481**
EXPENSES:			
Voyage expenses (including $188,496 and $256,708 to related party for the nine months ended September 30, 2023 and 2024, respectively)	4,15	(1,869,622)	(1,299,007)
Vessel operating expenses	15	(6,243,724)	(6,839,757)
Management fees to related parties	4	(1,183,878)	(1,438,150)
Provision for doubtful accounts		—	(25,369)
Depreciation and amortization	5,6	(2,195,236)	(3,591,785)
General and administrative expenses (including $1,902,277 and $2,423,285 to related party for the nine months ended September 30, 2023 and 2024, respectively)	4,12	(3,070,945)	(7,795,087)
Total expenses		$ **(14,563,405)**	**$ (20,989,155)**
Operating income/(loss)		$ **444,119**	**$ (3,823,674)**
OTHER (EXPENSES)/INCOME:			
Interest and finance costs		(23,349)	(207,501)
Interest income		1,132,423	6,636,947
Dividend income from related party	4,16	381,944	1,902,778
Foreign exchange (losses)/gains		(12,531)	12,661
Dividend income on equity securities	7	—	4,136
Loss on equity securities	7	—	(11,271)
Total other income, net		**$ 1,478,487**	**$ 8,337,750**
Net income and comprehensive income from continuing operations, before taxes		**$ 1,922,606**	**$ 4,514,076**
Income taxes		(38,676)	—
Net income and comprehensive income from continuing operations, net of taxes		**$ 1,883,930**	**$ 4,514,076**
Net income and comprehensive income from discontinued operations, net of taxes	3	**$ 110,526,415**	**$ 19,715,401**
Net income and comprehensive income		**$ 112,410,345**	**$ 24,229,477**
Dividend on Series A Preferred Shares	4,13	(808,889)	(1,065,556)
Deemed dividend on Series A Preferred Shares	9,13	(1,676,671)	(2,283,440)
Net income attributable to common shareholders		**$ 109,924,785**	**$ 20,880,481**
Loss per common share, basic and diluted, continuing operations	13	**(0.04)**	**(0.03)**
Earnings per common share, basic and diluted, discontinued operations	13	**6.82**	**1.14**
Earnings per common share, basic and diluted, total	13	**6.78**	**1.11**
Weighted average number of common shares, basic and diluted	13	16,203,797	17,314,461

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

TORO CORP.
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF SHAREHOLDERS’ EQUITY AND MEZZANINE EQUITY
For the nine months ended September 30, 2023 and 2024
(Expressed in U.S. Dollars – except for share data)

						Treasury stock						Mezzanine equity	
	# of Series B Preferred Shares	Par Value of Preferred Series B shares	# of Common shares	Par Value of Common Shares	Additional Paid-in capital	# of shares	Amount	Due from Stockholder	Former Parent Company Investment	(Accumulated deficit)/Retained Earnings	Total Shareholders’ Equity	# of Series A Preferred Shares	Mezzanine Equity
Balance, December 31, 2022	**—**	**—**	**1,000**	**1**	**—**	**—**	**—**	**(1)**	**140,496,912**	**(32)**	**140,496,880**	**—**	**—**
Net income and comprehensive income	—	—	—	—	—	—	—	—	17,339,332	95,071,013	112,410,345	—	—
Net increase in Former Parent Company investment	—	—	—	—	—	—	—	—	211,982	—	211,982	—	—
Cancellation of common shares due to spin-off	—	—	(1,000)	(1)	—	—	—	1	—	—	—	—	—
Capitalization at spin off, including Issuance of capital and preferred stock, net of costs (Note 9)	40,000	40	9,461,009	9,461	38,156,985	—	—	—	(158,048,226)	—	(119,881,740)	140,000	117,172,135
Issuance of common shares pursuant to private placement	—	—	8,500,000	8,500	18,638,736	—	—	—	—	—	18,647,236	—	—
Issuance of restricted stock and compensation cost	—	—	1,240,000	1,240	38,950	—	—	—	—	—	40,190	—	—
Dividend on Series A preferred shares (Note 8)	—	—	—	—	—	—	—	—	—	(808,889)	(808,889)	—	—
Deemed dividend on Series A preferred shares (Note 9)	—	—	—	—	—	—	—	—	—	(1,676,671)	(1,676,671)	—	1,676,671
Balance, September 30, 2023	**40,000**	**40**	**19,201,009**	**19,201**	**56,834,671**	**—**	**—**	**—**	**—**	**92,585,421**	**149,439,333**	**140,000**	**118,848,806**
Balance, December 31, 2023	**40,000**	**40**	**19,021,758**	**19,022**	**57,244,290**	**(43,349)**	**(223,840)**	—	—	**119,701,687**	**176,741,199**	**140,000**	**119,601,410**
Net income and comprehensive income	—	—	—	—	—	—	—	—	—	24,229,477	24,229,477	—	—
Issuance of restricted stock and compensation cost (Note 12)	—	—	760,000	760	4,363,633	—	—	—	—	—	4,364,393	—	—
Repurchase of common shares (Note 8)	—	—	(687,905)	(688)	(3,951,160)	43,349	223,840	—	—	—	(3,728,008)	—	—
Dividend on Series A preferred shares (Note 9)	—	—	—	—	—	—	—	—	—	(1,065,556)	(1,065,556)	—	—
Deemed dividend on Series A preferred shares (Note 9)	—	—	—	—	—	—	—	—	—	(2,283,440)	(2,283,440)	—	2,283,440
Balance, September 30,2024	**40,000**	**40**	**19,093,853**	**19,094**	**57,656,763**	—	—	—	—	**140,582,168**	**198,258,065**	**140,000**	**121,884,850**

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

TORO CORP.
UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
For the nine months ended September 30, 2023 and 2024
(Expressed in U.S. Dollars)

	Note	Nine months ended September 30, 2023	Nine months ended September 30, 2024
Cash Flows (used in)/provided by Operating Activities of Continuing Operations:			
Net income		$ 112,410,345	$ 24,229,477
Less: Net income from discontinued operations, net of taxes		(110,526,415)	(19,715,401)
Net income from continuing operations, net of taxes		$ 1,883,930	$ 4,514,076
Adjustments to reconcile net income from Continuing operations to net cash (used in)/provided by Operating activities:			
Depreciation and amortization	5,6	2,195,236	3,591,785
Provision for doubtful accounts		—	25,369
Stock based compensation cost	4,12	40,190	4,364,393
Unrealized loss on equity securities	7	—	1,440
Realized loss on sale of equity securities	7	—	2,369
Changes in operating assets and liabilities:			
Accounts receivable trade, net		(608,478)	841,401
Inventories		(467,033)	(34,616)
Due from/to related parties		503,729	137,587
Prepaid expenses and other assets		(446,944)	741,674
Other deferred charges		(4,657)	—
Accounts payable		2,259,836	(555,563)
Accrued liabilities		731,554	306,364
Deferred revenue		310,000	674,000
Dry-dock costs paid		(1,088,387)	(1,101,199)
Net Cash provided by Operating Activities from Continuing Operations		**5,308,976**	**13,509,080**
Cash flow (used in)/provided by Investing Activities of Continuing Operations:			
Vessel acquisitions and other vessel improvements	6	(72,149,308)	(114,607)
Investment in related party		(50,000,000)	—
Purchase of equity securities	7	—	(3,073,093)
Proceeds from sale of equity securities	7	—	249,338
Net cash used in Investing Activities from Continuing Operations		**(122,149,308)**	**(2,938,362)**
Cash flows (used in)/provided by Financing Activities of Continuing Operations:			
Net increase in Former Parent Company Investment		211,982	—
Issuance of Series B Preferred shares	8	40	—
Issuance of common shares pursuant to private placement		18,647,236	—
Payment of Dividend on Series A Preferred Shares	9	(501,667)	(1,050,000)
Payment for repurchase of common shares	8	—	(3,728,008)
Payments related to Spin-Off	4	(2,694,646)	—
Net cash provided by/(used in) Financing Activities from continuing operations		**15,662,945**	**(4,778,008)**
Cash flows of discontinued operations:			
Net Cash provided by Operating Activities from discontinued operations		44,443,955	3,530,126
Net cash provided by Investing Activities from discontinued operations		125,389,588	32,488,070
Net cash used in Financing Activities from discontinued operations		(7,656,400)	(5,257,200)
Net cash provided by discontinued operations		**162,177,143**	**30,760,996**
Net increase in cash, cash equivalents, and restricted cash		**60,999,756**	**36,553,706**
Cash, cash equivalents and restricted cash at the beginning of the period		**42,479,594**	**155,585,401**
Cash, cash equivalents and restricted cash at the end of the period		**$ 103,479,350**	**$ 192,139,107**
RECONCILIATION OF CASH, CASH EQUIVALENTS AND RESTRICTED CASH			
Cash and cash equivalents		$ 103,129,350	$ 192,139,107
Restricted cash, non-current		350,000	—
Cash, cash equivalents, and restricted cash		**103,479,350**	**192,139,107**

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

1. **Basis of Presentation and General information:**

Toro Corp. ("Toro") was formed on July 29, 2022 as a wholly owned subsidiary of Castor Maritime Inc. ("Castor", or the "Former Parent Company") under the laws of the Republic of the Marshall Islands under the name Tankco Shipping Inc. and changed its name to Toro Corp. on September 29, 2022. On March 7, 2023 (the "Distribution Date"), Castor completed the Spin-Off (as defined herein) of Toro based on the terms approved by the independent disinterested directors of Castor following the recommendation of its special committee of independent disinterested directors. In the Spin-Off, Castor separated its tanker fleet from its dry bulk and container fleet by, among other actions, contributing to Toro its interest in the subsidiaries comprising its tanker fleet, each owning one tanker vessel and Elektra Shipping Co. (the "Toro Subsidiaries") in exchange for (i) 9,461,009 common shares of Toro, (ii) the issuance to Castor of 140,000 1.00% Series A fixed rate cumulative perpetual convertible preferred shares of Toro (the "Series A Preferred Shares") having a stated amount of $1,000 per share and a par value of $0.001 per share and (iii) the issuance at par to Pelagos Holdings Corp, a company controlled by the Toro's Chairman and Chief Executive Officer, of 40,000 Series B preferred shares of Toro, par value $0.001 per share (the "Series B Preferred Shares"). Toro's common shares were distributed on March 7, 2023 pro rata to the shareholders of record of Castor as of February 22, 2023 at a ratio of one Toro common share for every ten Castor common shares. The foregoing transactions are referred to collectively herein as the "Spin-Off". Toro began trading on the Nasdaq Capital Market (the "Nasdaq"), under the symbol "TORO".

In addition, Toro entered into various agreements effecting the separation of its business from Castor including a Contribution and Spin-Off Distribution Agreement entered into by Toro and Castor on February 24, 2023 (the "Contribution and Spin-Off Distribution Agreement"), pursuant to which, among other things, (i) Castor agreed to indemnify Toro and the Toro Subsidiaries for any and all obligations and other liabilities arising from or relating to the operation, management or employment of vessels or subsidiaries that Castor retained after the Distribution Date and Toro agreed to indemnify Castor for any and all obligations and other liabilities arising from or relating to the operation, management or employment of the vessels contributed to it or the Toro Subsidiaries, and (ii) Toro agreed to replace Castor as guarantor under the $18.0 senior secured credit facility with Alpha Bank S.A. (the "$18.0 Million Term Loan Facility") upon completion of the Spin-Off. The Contribution and Spin-Off Distribution Agreement also provided for the settlement or extinguishment of certain liabilities and other obligations between Castor and Toro and provides Castor with certain registration rights relating to Toro's common shares, if any, issued upon conversion of the Series A Preferred Shares issued to Castor in connection with the Spin-Off. Following the successful completion of the Spin Off on March 7, 2023, Toro reimbursed Castor for expenses related to the Spin-Off that were incurred by Castor, except for any of these expenses that were incurred or paid by any of Toro's subsidiaries, after March 7, 2023.

The Spin-off has been accounted for as a transfer of business among entities under common control. Accordingly, these accompanying unaudited interim condensed consolidated financial statements of the Company have been presented as if the Toro Subsidiaries were consolidated subsidiaries of the Company for all periods presented and using the historical carrying costs of the assets and the liabilities of the subsidiaries listed below, from their dates of incorporation. As a result, the accompanying unaudited interim condensed consolidated financial statements include the accounts of Toro and its wholly owned subsidiaries (collectively, the "Company").

The Company is currently engaged in the worldwide transportation of refined petroleum products and liquefied petroleum gas through its vessel-owning subsidiaries.

As a result of the sale of the *M/T Wonder Sirius* on January 8, 2024, the Company no longer has any Aframax/LR2 vessels. The results of operations and cash flows of the Aframax/LR2 tanker segment, as well as its assets and liabilities, are reported as discontinued operations for all periods presented (Note 3).

Castor Ships S.A., a corporation incorporated under the laws of the Republic of the Marshall Islands ("Castor Ships"), a related party controlled by Toro's Chairman and Chief Executive Officer, Petros Panagiotidis, provides ship management and chartering services to the vessels owned by the Company's vessel-owning subsidiaries with effect from July 1, 2022. Such services are provided through subcontracting agreements with unrelated third-party managers, entered into with the Company's consent, for all of the Company's vessels. During the period ended December 31, 2021 and until June 30, 2022, Castor Ships provided only commercial ship management and chartering services to such subsidiaries. As a part of the Spin-Off, the Company entered into a master management agreement with Castor Ships with respect to its vessels in substantially the same form as Castor's Master Management Agreement previously in place for its vessels. The vessel management agreements with Castor Ships previously entered into for each of the vessels by the applicable vessel-owning subsidiary remain in effect for each such vessel. Upon the acquisition of the LPG carrier vessels in the second and third quarters of 2023, the relevant vessel owning subsidiaries entered into management agreements with Castor Ships on substantially the same terms as the existing vessel-owning subsidiaries.

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

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

The wholly owned subsidiaries which are included in the Company's unaudited interim condensed consolidated financial statements for the periods presented are listed below.

(a) Consolidated vessel owning subsidiaries:

	Company	Country of incorporation	Date of incorporation	Vessel Name	DWT	Year Built	Delivery date to Vessel owning company
1	Vision Shipping Co. ("Vision")	Marshall Islands	04/27/2021	*M/T Wonder Mimosa*	36,718	2006	May 31, 2021
2	Zatanna Shipping Co. ("Zatanna")	Marshall Islands	05/02/2023	*LPG Dream Terrax*	4,743	2020	May 26, 2023
3	Starfire Shipping Co. ("Starfire")	Marshall Islands	05/02/2023	*LPG Dream Arrax*	4,753	2015	June 14, 2023
4	Cyborg Shipping Co. ("Cyborg")	Marshall Islands	05/02/2023	*LPG Dream Syrax*	5,158	2015	July 18, 2023
5	Nightwing Shipping Co. ("Nightwing")	Marshall Islands	05/02/2023	*LPG Dream Vermax*	5,155	2015	August 4, 2023

(b) Consolidated non-vessel owning subsidiaries:

1	Toro RBX Corp. ("Toro RBX") (1)
2	Xavier Shipping Co. ("Xavier") (2)
3	Robin Energy Ltd. ("Robin") (3)

(c) Entities comprising the discontinued operations:

1	Elektra Shipping Co. ("Elektra") (4)
2	Rocket Shipping Co. ("Rocket") (5)
3	Drax Shipping Co. ("Drax") (6)
4	Colossus Shipping Co. ("Colossus") (7)
5	Hawkeye Shipping Co. ("Hawkeye") (8)
6	Starlord Shipping Co. ("Starlord") (9)
7	Gamora Shipping Co. ("Gamora") (10)

(1) Incorporated under the laws of the Marshall Islands on October 3, 2022, this entity serves as the cash manager of the Company's subsidiaries with effect from March 7, 2023.

(2) Incorporated under the laws of the Marshall Islands on April 27, 2021, no longer owns any vessel following the sale of the *M/T Wonder Formosa* on September 1, 2023, for a gross sale price of $18.0 million and delivery of such vessel to an unaffiliated third-party on November 16, 2023.

(3) Incorporated under the laws of the Marshall Islands on September 24, 2024.

(4) Incorporated under the laws of the Marshall Islands on April 27, 2021, no longer owns any vessel following the sale of the *M/T Wonder Arcturus* on May 9, 2022, for a gross sale price of $13.15 million and delivery of such vessel to an unaffiliated third-party on July 15, 2022.

(5) Incorporated under the laws of the Marshall Islands on January 13, 2021, no longer owns any vessel following the sale of the *M/T Wonder Polaris* on May 18, 2023, for a gross sale price of $34.5 million and delivery of such vessel to an unaffiliated third-party on June 26, 2023.

(6) Incorporated under the laws of the Marshall Islands on November 22, 2021, no longer owns any vessel following the sale of the *M/T Wonder Bellatrix* on May 12, 2023, for a gross sale price of $37.0 million and delivery of such vessel to an unaffiliated third-party on June 22, 2023.

(7) Incorporated under the laws of the Marshall Islands on April 27, 2021, no longer owns any vessel following the sale of the *M/T Wonder Musica* on June 15, 2023, for a gross sale price of $28.0 million and delivery of such vessel to an unaffiliated third-party on July 6, 2023.

(8) Incorporated under the laws of the Marshall Islands on April 27, 2021, no longer owns any vessel following the sale of the *M/T Wonder Avior* on April 28, 2023, for a gross sale price of $30.1 million and delivery of such vessel to an unaffiliated third-party on July 17, 2023.

(9) Incorporated under the laws of the Marshall Islands on April 15, 2021, no longer owns any vessel following the sale of the *M/T Wonder Vega* on September 5, 2023, for a gross sale price of $31.5 million and delivery of such vessel to an unaffiliated third-party on December 21, 2023.

(10) Incorporated under the laws of the Marshall Islands on January 13, 2021, no longer owns any vessel following the sale of the *M/T Wonder Sirius* on January 8, 2024, for a gross sale price of $33.8 million and delivery of such vessel to an unaffiliated third-party on January 24, 2024.

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

The accompanying unaudited interim condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States ("U.S. GAAP") and applicable rules and regulations of the U.S. Securities and Exchange Commission (the "SEC") 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, 2023, filed with the SEC on March 12, 2024 (the "2023 Annual Report").

The accompanying interim condensed consolidated financial statements are unaudited and include all adjustments (consisting of normal recurring adjustments) that management considers necessary for a fair presentation of its condensed consolidated financial position and results of operations for the interim periods presented. The results of operations for the interim periods presented are not necessarily indicative of the results that may be expected for the entire year.

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, 2023, included in the Company's 2023 Annual Report. Apart from the below, there have been no material changes to the Company's significant accounting policies in the nine-month period ended September 30, 2024.

New significant accounting policies adopted during the nine months ended September 30, 2024

Investment in equity securities

The Company measures equity securities with readily determinable fair values (including other ownership interests, such as partnerships, unincorporated joint ventures, and limited liability companies, but excluding equity investments that are accounted for under the equity method of accounting or result in consolidation of an investee) at fair value with changes in the fair value recognized through net income, in accordance with ASC 321 "Investments– Equity Securities" and the provisions enumerated under ASC 825 "Financial Instruments". Any dividends subsequently distributed by the investee to the Company are recognized as income when received. Equity investments with readily determinable fair values are investments in publicly traded companies for which we do not exercise significant influence.

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

The Company has elected to measure equity securities without a readily determinable fair value, that do not qualify for the practical expedient in ASC 820 Fair Value Measurement to estimate fair value using the NAV per share (or its equivalent), at its cost minus impairment, if any. At each reporting period, the Company also evaluates indicators such as the investee's performance and its ability to continue as a going concern and market conditions, to determine whether an investment is impaired, in which case the Company will estimate the fair value of the investment to determine the amount of the impairment loss. Equity investments without readily determinable fair values are non-marketable equity securities, which are investments in privately held companies for which we do not exercise significant influence.

Discontinued Operations

The Company classifies as discontinued operations a component of an entity or group of components that has been disposed of by sale, disposed of other than by sale or is classified as held for sale and will have a major effect on the company's operations and financial results (Note 3).

Recent Accounting Pronouncements:

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

3. Discontinued operations:

Following the sale of the *M/T Wonder Sirius* (Note 1), the Company no longer has any Aframax/LR2 vessels. The Company has determined that the disposal of all of its Aframax/LR2 vessels constituted a disposal of an entity's segment that will have a major effect on the Company's operations and financial results. In this respect, the results of operations and cash flows of the Aframax/LR2 segment, as well as its assets and liabilities, are reported as discontinued operations for all periods presented in the accompanying consolidated financial statements. The comparative figures in these consolidated financial statements have been adjusted on the basis of presenting separately the discontinued operations' figures.

The components of assets and liabilities of discontinued operations in the unaudited condensed consolidated balance sheet at December 31, 2023 and September 30, 2024 consisted of the following:

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

3. Discontinued operations: (continued)

	December 31, 2023	September 30, 2024
CURRENT ASSETS:		
Cash and cash equivalents	$ 3,477,183	$ 22,376
Due from related parties, current	2,904,432	771,497
Accounts receivable trade, net	2,728,641	—
Inventories	87,839	—
Prepaid expenses and other assets	471,653	158,443
Total current assets of discontinued operations	**9,669,748**	**952,316**
NON-CURRENT ASSETS:		
Vessels, net	11,682,357	—
Restricted cash	350,000	—
Deferred charges, net	1,241,874	—
Total non-current assets of discontinued operations	**13,274,231**	—
CURRENT LIABILITIES:		
Current portion of long-term debt, net	1,311,289	—
Accounts payable	1,438,871	201,260
Accrued liabilities	2,275,424	1,585,559
Total current liabilities of discontinued operations	**5,025,584**	**1,786,819**
NON-CURRENT LIABILITIES:		
Long-term debt, net	3,902,497	—
Total non-current liabilities of discontinued operations	**3,902,497**	—

The components of the income from discontinued operations for the nine months ended September 30, 2023 and 2024 in the unaudited interim condensed consolidated statements of comprehensive income consisted of the following:

	Nine months Ended September 30, 2023	Nine months Ended September 30, 2024
REVENUES:		
Time charter revenues	7,742,231	1,355
Voyage charter revenues	552,859	—
Pool revenues	43,242,176	629,727
Total vessel revenues	**51,537,266**	**631,082**
EXPENSES:		
Voyage expenses (including $662,408 and $8,007 to related party for the nine months ended September 30, 2023 and 2024, respectively)	(1,225,152)	(23,542)
Vessel operating expenses	(10,305,789)	(351,466)
Management fees to related parties	(1,262,223)	(24,936)
Depreciation and amortization	(3,264,170)	(35,305)
Recovery of provision for doubtful accounts	266,732	—
Gain on sale of vessels	74,270,047	19,559,432
Total expenses	**58,479,445**	**19,124,183**
Operating income	**110,016,711**	**19,755,265**
OTHER INCOME/(EXPENSES):		
Interest and finance costs	(797,958)	(81,187)
Interest income	1,604,629	40,134
Foreign exchange (losses)/gains	(11,354)	1,189
Total other income/(expenses), net	**795,317**	**(39,864)**
Net income and comprehensive income from discontinued operations, before taxes	**$ 110,812,028**	**$ 19,715,401**
Income taxes	(285,613)	—
Net income and comprehensive income from discontinued operations, net of taxes	**$ 110,526,415**	**$ 19,715,401**

4. Transactions with Related Parties:

(a) **Castor Ships:**

Details of the Company's transactions and arrangements with Castor Ships are discussed in Note 3(a) to the consolidated financial statements for the year ended December 31, 2023, included in the Company's 2023 Annual Report.

As of September 30, 2024, in accordance with the provisions of the Master Management Agreement, dated as of March 7, 2023, by and among the Company, its shipowning subsidiaries and Castor Ships, Castor Ships had subcontracted to a third-party ship management company the technical management of all the Company's vessels, except the *M/T Wonder Mimosa*, for which Castor Ships has provided the technical management since June 7, 2023. Castor Ships pays, at its own expense, the third-party technical management company a fee for the services it has subcontracted to such company without any additional cost to Toro.

The Ship Management Fee and Flat Management Fee (as defined in the Company's 2023 Annual Report) are adjusted annually for inflation on each anniversary of the Master Management Agreement's effective date and, in accordance with the terms of the Master Management Agreement, the Ship Management Fee increased from $1,039 per vessel per day to $1,071 per vessel per day and the Flat Management Fee increased from $0.80 million to $0.82 million effective July 1, 2024.

In exchange for the management services, effective July 1, 2024, the Company pays to Castor Ships (i) a commission on all gross income received from the operation of its vessels for distribution among Castor Ships and any third-party brokers involved in the trading of its vessels, which, including any address commission any charterer of any its vessel is entitled to receive, will not exceed 6.25% on each vessel's gross income and (ii) a commission of 1% on each consummated sale and purchase transaction applicable to the total consideration of acquiring or selling: (a) a vessel or (b) the shares of a ship owning entity owning vessels or (c) shares and/or other securities with aggregate purchase or sale value, as the case may be, of an amount equal to or in excess of US$10,000,000 issued by an entity engaged in the maritime industry.

During the nine months ended September 30, 2023, and the nine months ended September 30, 2024, the Company's subsidiaries were charged the following fees and commissions by Castor Ships (i) management fees amounting to $1,183,878 and $1,438,150, respectively, (ii) charter hire commissions amounting to $850,904 and $ 256,708, respectively, and (iii) sale and purchase commission in the nine months ended September 30, 2023 amounting to $707,150 related to the acquisition of the vessels *LPG Dream Terrax*, *LPG Dream Arrax, LPG Dream Syrax* and *LPG Dream Vermax,* which is included in 'Vessels, net' in the accompanying consolidated balance sheet.

4. Transactions with Related Parties: (continued)

In addition, until March 7, 2023, part of the general and administrative expenses incurred by Castor has beenallocated on a pro rata basis within General and administrative expenses of the Company based on the proportion of the number of ownership days of the Toro Subsidiaries' vessels to the total ownership days of Castor's fleet. These expenses consisted mainly of administration costs charged by Castor Ships, investor relations, legal, audit and consultancy fees. During the period from January 1 through March 7, 2023 the above mentioned administration fees charged by Castor Ships to Castor that were allocated to the Company amounted to $144,445 and are included in 'General and administrative expenses' in the accompanying unaudited interim condensed consolidated statements of comprehensive income. For the period of March 7, 2023 through September 30, 2023, the Company recognized as pro rata allocation of days of Flat Management Fee in the amount of $1,757,832, which is included in 'General and administrative expenses' in the accompanying unaudited interim condensed consolidated statements of comprehensive income. As a result, in the nine months ended September 30, 2023, and in the same period of 2024, the aggregate amounts of $1,902,277 and $2,423,285, respectively, are included in 'General and administrative expenses' in the accompanying unaudited interim condensed consolidated statements of comprehensive income.

The Master Management Agreement also provides for advance funding equal to two months of vessel daily operating costs to be deposited with Castor Ships as a working capital guarantee, refundable in case a vessel is no longer under Castor Ship's management. As of December 31, 2023 and September 30, 2024, the working capital guarantee advances to Castor Ships amounted to $1,590,501, respectively, which are presented in 'Due from related parties, non-current' in the accompanying unaudited condensed consolidated balance sheets. As of December 31, 2023 and September 30, 2024, the amounts of $1,018,883 and $773,088 of 'Due from related parties, current', respectively, represent operating expense payments made on behalf of the Company to the third-party managers and Castor Ships in excess of amounts advanced.

(b) **Former Parent Company:**

In connection with the Spin-Off as discussed in Note 1, on March 7, 2023, Toro issued 140,000 1.00% Series A Preferred Shares to Castor having a stated amount of $1,000 per share and a par value of $0.001 per share (Note 9). The amount of accrued dividend on Series A Preferred Shares due to Castor as of December 31, 2023 and September 30, 2024 was $315,000 and $330,555, respectively and is presented net in 'Due to related parties, current' in the accompanying unaudited condensed consolidated balance sheet.

In the period ending September 30, 2023, the Company reimbursed Castor $2,694,646 for expenses related to the Spin-Off that were incurred by Castor. As of September 30, 2023 and 2024, there are no outstanding expenses to be reimbursed by the Company.

On August 7, 2023, the Company agreed to purchase 50,000 5.00% Series D Cumulative Perpetual Convertible Preferred Shares of Castor, having a stated value of $1,000 and par value of $0.001 per share (the "Castor Series D Preferred Shares"), for aggregate cash consideration of $50.0 million. The distribution rate on the Castor Series D Preferred Shares is 5.00% per annum, which rate will be multiplied by a factor of 1.3 on the seventh anniversary of the issue date of the Castor Series D Preferred Shares and annually thereafter, subject to a maximum distribution rate of 20% per annum in respect of any quarterly dividend period. Dividends are payable quarterly in arrears on the 15th day of January, April, July and October in each year, subject to Castor's board of directors' approval. For the nine months ended September 30, 2024, the Company received a dividend on the Castor Series D Preferred Shares, amounting to $1.9 million.

The Series D Preferred Shares are convertible, in whole or in part, at the Company's option to common shares of Castor from the first anniversary of their issue date at the lower of (i) $7.00 per common share, and (ii) the 5-day-value-weighted average price immediately preceding the conversion. On March 27, 2024, Castor effected a 1-for-10 reverse stock split of its common stock without any change in the number of authorized common shares. As a result of the reverse stock split, the number of Castor's outstanding shares as of March 27, 2024, was decreased to 9,662,354 while the par value of its common shares remained unchanged to $0.001 per share. The conversion price of the Castor Series D Preferred Shares is subject to adjustment upon the occurrence of certain events, including the occurrence of splits and combinations (including a reverse stock split) of the common shares and was adjusted to $7.00 per common share on March 27, 2024 from $0.70 per common share following effectiveness of the 1-for-10 reverse stock split. The minimum conversion price of the Series D Preferred Shares is $0.30 per common share.

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

4. Transactions with Related Parties: (continued)

This transaction and its terms were approved by the independent members of the board of directors of each of Castor and the Company at the recommendation of their respective special committees composed of independent and disinterested directors, which negotiated the transaction and its terms.

As of September 30, 2024, the aggregate value of the investment in Castor amounted to $50,569,444, including $569,444 of accrued dividends and is presented as 'Investment in related party' in the accompanying unaudited condensed consolidated balance sheet. As of September 30, 2024, the Company did not identify any impairment or any observable prices for identical or similar investments of the same issuer.

(d) **Equity incentive plan:**

As of September 30, 2024, the Company maintains an Equity Incentive Plan (as defined and discussed in Note 12) under which the Company's board of directors has made and may make awards of certain securities of the Company or cash to directors, officers and employees of the Company and/or its subsidiaries and affiliates and consultants and service providers to (including persons who are employed by or provide services to any entity that is itself a consultant or service provider to) the Company and its subsidiaries and affiliates.

The stock based compensation cost for the non-vested shares under the Equity Incentive Plan for the nine months ended September 30, 2023 and 2024, amounted to $40,190 and $4,364,393, respectively, and is included in 'General and administrative expenses' in the accompanying unaudited interim condensed consolidated statements of comprehensive income.

5. Deferred Charges, net:

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

		Dry-docking costs
Balance December 31, 2023	**$**	**178,700**
Additions		1,492,215
Amortization		(367,398)
Balance September 30, 2024	**$**	**1,303,517**

During the nine months ended September 30, 2024, the *M/T Wonder Mimosa* initiated and completed its scheduled drydocking repairs.

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

6. Vessels, net:

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

	Vessel Cost	Accumulated depreciation	Net Book Value
Balance December 31, 2023	**$ 80,360,967**	**$ (3,335,273)**	**$ 77,025,694**
Improvements, and other vessel costs	45,792	—	45,792
Depreciation	—	(3,224,387)	(3,224,387)
Balance September 30, 2024	**$ 80,406,759**	**$ (6,559,660)**	**$ 73,847,099**

The Company reviewed all its vessels for impairment and none were found to have an indication of impairment as the fair value was in excess of carrying value on September 30, 2024.

7. Investment in equity securities:

The amounts of our investment in equity securities in the accompanying unaudited condensed consolidated balance sheets are presented in the table below:

	December 31, 2023	September 30, 2024
Investment in equity securities with readily determinable fair values (a)	$ —	$ 282,767
Investment in equity securities without readily determinable fair values (b)	$ —	$ 2,537,179

(a) **Investment in equity securities with readily determinable fair values**

A summary of the movement in equity securities with readily determinable fair values for the nine-month period ended September 30, 2024 is presented in the table below:

	Equity securities with readily determinable fair values
Balance December 31, 2023	**$ —**
Equity securities acquired	535,914
Proceeds from sale of equity securities	(249,338)
Realized loss from sale of equity securities	(2,369)
Unrealized loss on equity securities revalued at fair value at end of the period	(8,902)
Unrealized foreign exchange gain	7,462
Balance September 30, 2024	**$ 282,767**

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

7. Investment in equity securities: (continued)

In the nine months ended September 30, 2024, the Company received dividends of $4,136 from its investments in equity securities with readily determinable fair values. The investment in equity securities with readily determinable fair values with amount of $282,767 is presented in 'Investment in equity securities, current' in the accompanying unaudited condensed consolidated balance sheet.

(b) **Investment in equity securities without readily determinable fair values**

A summary of the movement in equity securities without readily determinable fair values for the nine- month period ended September 30, 2024 is presented in the table below:

	Equity securities without readily determinable fair values
Balance December 31, 2023	**$ —**
Equity securities acquired	2,537,179
Balance September 30, 2024	**$ 2,537,179**

In the nine months ended September 30, 2024, the Company received no dividends from its investments in equity securities without readily determinable fair values. The investment in equity securities without readily determinable fair values amounting to $2,537,179 is presented in 'Investment in equity securities, non-current' in the accompanying unaudited condensed consolidated balance sheet.

As of September 30, 2024, the Company did not identify any impairment or any observable prices for identical or similar investments of the same issuer.

8. Equity Capital Structure:

Under Toro's initial Articles of Incorporation dated July 29, 2022, Toro's authorized capital stock consisted of 1,000 shares par value $0.001 per share. On March 2, 2023, the Company's articles of incorporation were amended and restated and Toro's authorized capital stock was increased to 3,900,000,000 common shares, par value $0.001 per share and 100,000,000 preferred shares, par value $0.001 per share. For a further description of the terms and rights of the Company's capital stock and details of its equity transactions prior to January 1, 2024, please refer to Note 7 to the consolidated financial statements for the year ended December 31, 2023, included in the Company's 2023 Annual Report. That description is supplemented by the below new activities during the nine-month period ended September 30, 2024.

As of September 30, 2024, Toro had 19,093,853 common shares issued and outstanding including 2,000,000 restricted common shares issued pursuant to the Equity Incentive Plan (as defined and discussed in Note 12).

Share Repurchase Program

On November 6, 2023, the Board of Directors of the Company approved a share repurchase program, authorizing the repurchase of up to $5.0 million of the Company's common shares commencing November 10, 2023, through to March 31, 2024. During the year ended December 31, 2023, the Company repurchased under its share repurchase program 222,600 shares of common stock in open market transactions at an average price of $4.69 per share, for an aggregate consideration of $1.0 million. On December 27, 2023, 179,251 of these repurchased common shares were cancelled and removed from the Company's share capital and on January 3, 2024, the remaining 43,349 repurchased common shares were cancelled and removed from the Company's share capital.

8. Equity Capital Structure: (continued)

The share repurchase program was terminated on March 31, 2024 in accordance with its terms. During the three months ended March 31, 2024, the Company repurchased under its share repurchase program an additional 644,556 shares of common stock in open market transactions at an average price of $5.77 per share, for an aggregate consideration of $3.7 million, which were cancelled and removed from the Company's share capital. This brought the total number of shares repurchased under the program to 867,156 common shares at an average price of $5.50 per share.

9. Mezzanine equity:

Series A Preferred Shares

The Company issued as part of the Spin-Off to Castor 140,000 Series A Preferred Shares with par value of $0.001 and a stated value of $1,000 each. Details of the Company's Series A Preferred Shares are discussed in Note 8 to the Company's consolidated financial statements for the year ended December 31, 2023, included in the 2023 Annual Report.

The Company uses an effective interest rate of 3.71% over the expected life of the preferred stock (being nine years) which is the expected earliest redemption date. This is consistent with the interest method, taking into account the discount between the issuance price and liquidation preference and the stated dividends, including "step-up" amounts. The amounts accreted during the period March 7, 2023 through September 30, 2023 and in the nine months ended September 30, 2024, were $1,676,671 and $2,283,440, respectively, and are presented as 'Deemed dividend on Series A Preferred Shares' in the accompanying unaudited interim condensed consolidated statements of comprehensive income.

As of September 30, 2024, the net value of Mezzanine Equity amounted to $121,884,850, including the amount of $2,283,440 of deemed dividend on the Series A Preferred Shares in the nine months ended September 30, 2024, and is presented as 'Mezzanine Equity' in the accompanying unaudited condensed consolidated balance sheet. During the nine months ended September 30, 2024, the Company paid to Castor a dividend amounting to $1,050,000 on the Series A Preferred Shares for the period from October 15, 2023 to July 14, 2024. The accrued amount for the period from July 15, 2024 to September 30, 2024 (included in the dividend period ended October 14, 2024) amounted to $330,555 (Notes 4(b) and 17(a)).

10. Financial Instruments and Fair Value Disclosures:

As of September 30, 2024, the principal financial assets of the Company consist of cash at banks, trade accounts receivable, investment in equity securities, an investment in a related party, Castor, and amounts due from related parties. As of September 30, 2024, the principal financial liabilities of the Company consist of trade accounts payable and amounts due to related parties.

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

- **Cash and cash equivalents, accounts receivable trade, net, amounts due from/to related party/(ies) and accounts payable:** The carrying values reported in the unaudited condensed 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.

- **Investment in related party:** Investment in related party is initially measured at the transaction price andsubsequently assessed for the existence of any observable market for the Castor Series D Preferred Shares and any observable price changes for identical or similar investments and the existence of any indications for impairment. As per the Company's assessment no such case was identified as at September 30, 2024.

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

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

- **Investment in equity securities:** The carrying value reported in the accompanying unaudited condensed consolidated balance sheet for investment in equity securities with readily determinable fair values represents its fair value and is considered a Level 1 item of the fair value hierarchy as it is determined though quoted prices in an active market. Investment in equity securities without a readily determinable fair value is initially measured at the transaction price and subsequently assessed for the existence of any observable market and any observable price changes for identical or similar investments and the existence of any indications for impairment. As per the Company's assessment, no such case was identified as at September 30, 2024.

- **Concentration of credit risk:** Financial instruments, which potentially subject the Company to significant concentrations of credit risk, consist principally of cash and cash equivalents, due from related parties 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.

11. 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, pool operators, agents, insurance and other claims with suppliers relating to the operations of the Company's vessels. Currently, management is not aware of any such claims or contingent liabilities, which should be disclosed, or for which a provision should be established in the accompanying unaudited interim condensed consolidated financial statements.

The Company 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. As of the date of these unaudited interim condensed consolidated financial statements, management was not aware of any such claims or contingent liabilities that should be disclosed or for which a provision should be established in the accompanying unaudited interim condensed 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 long-term lease contracts

The following table sets forth the future minimum contracted lease payments to the Company (gross of charterers' commissions), based on the Company's vessels' commitments to non-cancelable time charter contracts as of September 30, 2024. Non-cancelable time charter contracts include fixed-rate time charters.

Twelve-month period ending September 30,	Amount
2025	$ 10,041,613
Total	**$ 10,041,613**

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

12. Equity Incentive Plan:

As of September 30, 2024, the Company maintains an Equity Incentive Plan (the “Equity Incentive Plan”) under which the Company’s board of directors has made and may make awards of certain securities of the Company or cash to directors, officers and employees (including any prospective director, officer or employee) of the Company and/or its subsidiaries and affiliates and consultants and service providers to (including persons who are employed by or provide services to any entity that is itself a consultant or service provider to) the Company and its subsidiaries and affiliates. Details of the Equity Incentive Plan are discussed in Note 11 to the Company’s consolidated financial statements for the year ended December 31, 2023, included in the 2023 Annual Report.

On May 31, 2024, a total of 760,000 restricted common shares were granted under the Equity Incentive Plan to one of our directors. The fair value of each restricted share was $4.52, based on the latest closing price of the Company’s common shares on the grant date.

The stock based compensation cost for the non-vested shares under the Equity Incentive Plan for the nine months ended September 30, 2023 and 2024 amounted to $40,190 and $4,364,393 and is included in ‘General and administrative expenses’ in the accompanying unaudited interim condensed consolidated statements of comprehensive income.

A summary of the status of the Company’s non-vested restricted shares as of September 30, 2024, and the movement during the nine-month period ended September 30, 2024, is presented below:

	Number of restricted shares	Weighted average grant date fair value per non-vested share
Non-vested, December 31, 2023	**1,240,000**	**5.83**
Granted	760,000	4.52
Vested	(560,000)	5.83
Non-vested, September 30, 2024	**1,440,000**	**5.14**

For the nine months ended September 30, 2024, 560,000 restricted common shares were vested. The remaining unrecognized compensation cost relating to the shares granted amounting to $5,027,310 as of September 30, 2024, is expected to be recognized over the remaining period of three years, according to the contractual terms of those non-vested share awards.

13. Earnings Per Common Share:

The computation of (loss)/earnings per share is based on the weighted average number of common shares outstanding during that period and gives retroactive effect to the shares issued in connection with the Spin-Off.

The Company calculates (loss)/earnings per common share by dividing net (loss)/income available to common shareholders by the weighted average number of common shares outstanding during the relevant period.

The Company calculates basic (loss)/earnings per share in conformity with the two-class method required for companies with participating securities. The calculation of basic (loss)/earnings per share does not consider the non-vested shares as outstanding until the time-based vesting restrictions have lapsed.

Diluted (loss)/earnings per common 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. For the purpose of calculating diluted (loss)/earnings per common share, the weighted average number of diluted shares outstanding includes (i) the conversion of outstanding Series A Preferred Shares (Note 9) calculated with the “if converted” method by using the average closing market price over the reporting periods and (ii) the incremental shares assumed to be issued, determined under the two-class method weighted for the periods the non-vested shares were outstanding, if the two-class method was more dilutive than the treasury stock method. If there is a loss from continuing operations, diluted EPS would be computed in the same manner as basic EPS is computed, even if the entity has net income after adjusting for a discontinued operation. Thus, the inclusion of the potential common shares from the conversion of outstanding Series A Preferred Shares and the incremental shares assumed to be issued, determined under the two-class or treasury stock method weighted for the periods the non-vested shares were outstanding, in diluted EPS from continuing operations would have anti-dilutive effect, therefore basic EPS and diluted EPS are the same for continuing operations, discontinued operations and net income. The components of the calculation of basic and diluted (loss)/earnings per common share in each of the periods comprising the accompanying unaudited interim condensed consolidated statements of comprehensive income are as follows:

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

13. Earnings Per Common Share: (continued)

		Nine months ended September 30, 2023		Nine months ended September 30, 2024
Net income and comprehensive income from continuing operations, net of taxes	**$**	**1,883,930**	**$**	**4,514,076**
Net income and comprehensive income from discontinued operations, net of taxes		**110,526,415**		**19,715,401**
Net income and comprehensive income	**$**	**112,410,345**	**$**	**24,229,477**
Dividend on Series A Preferred Shares		(808,889)		(1,065,556)
Deemed dividend on Series A Preferred Shares		(1,676,671)		(2,283,440)
Undistributed earnings to non-vested participating securities		(121,194)		(1,741,048)
Net income attributable to common shareholders, basic and diluted	**$**	**109,803,591**	**$**	**19,139,433**
Weighted average number of common shares outstanding, basic and diluted		16,203,797		17,314,461
Loss per common share, basic and diluted, continuing operations	**$**	**(0.04)**	**$**	**(0.03)**
Earnings per common share, basic and diluted, discontinued operations	**$**	**6.82**	**$**	**1.14**
Earnings per common share, basic and diluted, total	**$**	**6.78**	**$**	**1.11**

14. Vessel Revenues:

The following table includes the voyage revenues earned by the Company by type of contract (time charters, voyage charters and pool agreements) in each of the nine-month periods ended September 30, 2023, and September 30, 2024, as presented in the accompanying unaudited interim condensed consolidated statements of comprehensive income:

		Nine months ended September 30, 2023		Nine months ended September 30, 2024
Time charter revenues		605,850		10,394,268
Voyage charter revenues		2,541,506		1,310,312
Pool revenues		11,860,168		5,460,901
Total Vessel Revenues	**$**	**15,007,524**	**$**	**17,165,481**

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

14. Vessel Revenues: (continued)

The Company generates its revenues from time charters, voyage contracts and pool arrangements.

The Company typically enters into time charters ranging from one month to twelve months, and, in isolated cases, for longer terms, depending on market conditions. The charterer has the full discretion over the ports visited, shipping routes and vessel speed, subject to the owner's protective restrictions set forth in the agreed charterparty's terms. Time charter agreements may have extension options that range over certain time periods, which are usually periods of months. The time charter party generally provides, among others, typical warranties regarding the speed and the performance of the vessel as well as owner protective restrictions such that the vessel is sent only to safe ports by the charterer, subject always to compliance with applicable sanction laws and war risks, and carry only lawful and non-hazardous cargo.

Vessels are also chartered under voyage charters, where a contract is made for the use of a vessel under which the Company is paid freight on the basis of transporting cargo from a loading port to a discharge port. Depending on charterparty terms, freight can be fully prepaid, or be paid upon reaching the discharging destination upon delivery of the cargo, at the discharging destination but before discharging, or during a ship's voyage.

The Company employs its Handysize vessel in a pool. The main objective of pools is to enter into arrangements for the employment and operation of the pool vessels, so as to secure for the pool participants the highest commercially available earnings per vessel on the basis of pooling the revenue and expenses of the pool vessels and dividing it between the pool participants based on the terms of the pool agreement. The Company typically enters into pool arrangements for a minimum period of six months, subject to certain rights of suspension and/or early termination.

As of December 31, 2023, and September 30, 2024, 'Trade accounts receivable, net', related to voyage charters, amounted to $205,184 and $0, respectively. This decrease by $205,184 in 'Trade accounts receivable, net' was mainly attributable to the timing of collections.

As of December 31, 2023, and September 30, 2024, there were no deferred assets and no deferred liabilities related to voyage charters, respectively.

15. Vessel Operating and Voyage Expenses:

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

Voyage expenses	Nine months ended September 30, 2023	Nine months ended September 30, 2024
Brokerage commissions	66,423	234,184
Brokerage commissions - related party	188,496	256,708
Port & other expenses	335,981	217,191
Bunkers consumption	1,273,808	589,412
Loss on bunkers	4,914	1,512
Total Voyage expenses	**$ 1,869,622**	**$ 1,299,007**

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

Vessel Operating Expenses	Nine months ended September 30, 2023	Nine months ended September 30, 2024
Crew & crew related costs	3,413,528	4,584,409
Repairs & maintenance, spares, stores, classification, chemicals & gases, paints, victualling	1,291,992	1,093,490
Lubricants	226,021	176,307
Insurance	259,335	308,252
Tonnage taxes	43,052	49,703
Other	1,009,796	627,596
Total Vessel operating expenses	**$ 6,243,724**	**$ 6,839,757**

16. Segment Information:

In the second quarter of 2023, the Company established its LPG carrier operations through the acquisition of two LPG carrier vessels. With effect from the second quarter of 2024, the Company operated in two reportable segments: (i) the Handysize tanker segment and (ii) the LPG carrier segment, each on a continued operations basis. The reportable segments reflect the internal organization of the Company and the way the chief operating decision maker reviews the operating results and allocates capital within the Company. Further, the transport of refined petroleum products (carried by Handysize tanker vessels) and liquefied petroleum gas (carried by LPG carriers) has different characteristics. In addition, the nature of trade, trading routes, charterers and cargo handling of liquefied petroleum gas and refined petroleum products differs.

The table below presents information about the Company's reportable segments comprising its continuing operations for the nine months ended September 30, 2023 and 2024. The accounting policies followed in the preparation of the reportable segments are the same as those followed in the preparation of the Company's unaudited interim condensed consolidated financial statements. Segment results are evaluated based on income from operations.

	Nine months ended September 30, 2023			Nine months ended September 30, 2024		
	Handysize tanker segment	LPG carrier segment	Total	Handysize tanker segment	LPG carrier segment	Total
Time charter revenues	$ —	$ 605,850	$ 605,850	$ —	$ 10,394,268	$ 10,394,268
Voyage charter revenues	—	2,541,506	2,541,506	—	1,310,312	1,310,312
Pool revenues	11,860,168	—	11,860,168	5,460,901	—	5,460,901
Total vessel revenues	**$ 11,860,168**	**$ 3,147,356**	**$ 15,007,524**	**$ 5,460,901**	**$ 11,704,580**	**$ 17,165,481**
Voyage expenses (including charges from related parties)	(151,741)	(1,717,881)	(1,869,622)	(215,505)	(1,083,502)	(1,299,007)
Vessel operating expenses	(4,124,057)	(2,119,667)	(6,243,724)	(1,728,403)	(5,111,354)	(6,839,757)
Management fees to related parties	(544,126)	(639,752)	(1,183,878)	(287,630)	(1,150,520)	(1,438,150)
Provision for doubtful accounts	—	—	—	—	(25,369)	(25,369)
Depreciation and amortization	(1,259,518)	(935,718)	(2,195,236)	(797,665)	(2,794,120)	(3,591,785)
Segments operating income/(loss)	**$ 5,780,726**	**$ (2,265,662)**	**$ 3,515,064**	**$ 2,431,698**	**$ 1,539,715**	**$ 3,971,413**
Interest and finance costs			(23,349)			(207,501)
Interest income			1,132,423			6,636,947
Dividend income from related party			381,944			1,902,778
Foreign exchange (losses)/gains			(12,531)			12,661
Dividend income on equity securities			—			4,136
Loss on equity securities			—			(11,271)
Less: Unallocated corporate general and administrative expenses (including related parties)			(3,070,945)			(7,795,087)
Net income and comprehensive income from continuing operations, before taxes			**$ 1,922,606**			**$ 4,514,076**
Net income and comprehensive income from discontinued operations, before taxes			**$ 110,812,028**			**$ 19,715,401**
Net income and comprehensive income, before taxes			**$ 112,734,634**			**$ 24,229,477**

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

A reconciliation of total segment assets to total assets presented in the accompanying unaudited condensed consolidated balance sheets of December 31, 2023, and September 30, 2024, is as follows:

	As of December 31, 2023	As of September 30, 2024
Handysize tanker segment	10,445,507	10,235,274
LPG carrier segment	71,651,775	68,620,033
Cash and cash equivalents[1]	151,757,138	192,115,683
Prepaid expenses and other assets [1]	51,447,318	53,521,675
Total assets from continuing operations	**$ 285,301,738**	**$ 324,492,665**
Total assets from discontinued operations	**$ 22,802,392**	**$ 952,316**
Total consolidated assets	**$ 308,104,130**	**$ 325,444,981**

[1] Refers to assets of other, non-vessel owning, entities included in the unaudited interim condensed consolidated financial statements.

17. Subsequent Events:

(a) Dividend on Series A Preferred Shares: On October 15, 2024, the Company paid to Castor a dividend on the Series A Preferred Shares, which was declared on September 27, 2024, amounting to $350,000 for the dividend period from July 15, 2024 to October 14, 2024.

Exhibit 99.2

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 Toro Corp. ("Toro") for the nine months ended September 30, 2023, and September 30, 2024. Unless otherwise specified herein or the context otherwise requires, references to the "Company", "we", "our" and "us" or similar terms shall include Toro 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 those unaudited interim condensed consolidated financial statements. The following discussion contains forward-looking statements that reflect our future plans, estimates, beliefs and expected performance. These forward-looking statements are dependent upon events, risks and uncertainties that may be outside our control which could cause actual results, cash flows, financial positions, events or conditions to differ materially from those currently anticipated and expressed or implied by such forward-looking statements. For a more complete discussion of these risks and uncertainties, please read the sections entitled "Cautionary Statement Regarding Forward-Looking Statements" and "Item 3. Key Information—D. Risk Factors" in our Annual Report on Form 20-F for the year ended December 31, 2023 (the "2023 Annual Report"), which was filed with the U.S. Securities and Exchange Commission (the "SEC") on March 12, 2024. For additional information relating to our management's discussion and analysis of financial conditions and results of operations, please see our 2023 Annual Report. Unless otherwise defined herein, capitalized terms and expressions used herein shall have the same meanings ascribed to them in the 2023 Annual Report.

Business Overview and Fleet Information

We are an independent, growth-oriented shipping company that was incorporated under the laws of the Republic of the Marshall Islands in July 2022 by Castor Maritime Inc. ("Castor") to serve as the holding company of Castor's former tanker owning subsidiaries and Elektra Shipping Co. (formerly owning the *M/T Wonder Arcturus*) in connection with the spin-off of Castor's tanker business into an independent, publicly traded company (the "Spin-Off"). The Spin-Off was completed on March 7, 2023, on which date we began to trade as an independent publicly listed company. For further information regarding the Spin-Off, refer to the 2023 Annual Report.

We acquire, own, charter and operate oceangoing tanker and LPG carrier vessels and provide worldwide seaborne transportation services for refined petroleum products and liquefied petroleum gas ("LPG").

As of November 11, 2024, we operated a fleet of five vessels that engages in the worldwide transportation of refined petroleum products and liquefied petroleum gas and comprises (i) one Handysize tanker, which transports refined petroleum products, and (ii) four LPG carriers 5,000 cbm each, which transport LPG. Our fleet has an aggregate cargo carrying capacity of 0.1 million dwt and an average age of 10.3 years. During the nine months ended September 30, 2023, we operated a fleet of (i) two Handysize tankers, which transported refined petroleum products and (ii) four LPG carrier vessels, which transported LPG. As a result of the different characteristics of the transport of refined petroleum products (carried by Handysize tanker vessels) and LPG (carried by LPG carriers), as well as differences in the nature of trade, trading routes, charterers and cargo handling of LPG and refined petroleum products, we have determined that during the nine months ended September 30, 2024, we operated in two reportable segments: (i) the Handysize tanker segment and (ii) the LPG carrier segment. Following completion of the sale of the *M/T Wonder Sirius* on January 24, 2024, the Company no longer has any Aframax/LR2 vessels and the results of operations and cash flows of the Aframax/LR2 tanker segment, as well as their assets and liabilities, are reported as discontinued operations for all periods presented. For information on our discontinued operations, see Note 3 to the unaudited interim condensed consolidated financial statements.

Our fleet is currently contracted to operate in a mix of pool and time charters. Our commercial strategy primarily focuses on deploying our fleet under a mix of pools, voyage charters and time charters according to our assessment of market conditions. We adjust the mix of these charters to take advantage of the relatively stable cash flows and high utilization rates for our vessels associated with period time charters, to profit from attractive trip charter rates during periods of strong charter market conditions associated with voyage charters or to take advantage of high utilization rates for our vessels along with exposure to attractive charter rates during periods of strong charter market conditions when employing our vessels in pools.

With effect from July 1, 2022, Castor Ships S.A. ("Castor Ships") provides ship management and chartering services to the vessels through subcontracting agreements with unrelated third-party managers, except the *M/T Wonder Mimosa,* for which Castor Ships has provided the technical management since June 7, 2023.

The following table summarizes key information about our fleet as of November 11, 2024:

Fleet vessels:

Vessel Name	Capacity (dwt)	Year Built	Country of Construction	Type of Charter	Gross Charter Rate ($/day)	Estimated Earliest Charter Expiration	Estimated Latest Charter Expiration
Handysize Segment							
M/T Wonder Mimosa	36,718	2006	S. Korea	Tanker Pool(1)	N/A	N/A	N/A
LPG Carrier Segment							
LPG Dream Terrax	4,743	2020	Japan	Time Charter Period(2)	338,000 per month	August 2025	August 2026
LPG Dream Arrax	4,753	2015	Japan	Time Charter Period(3)	323,000 per month	May 2025	May 2026
LPG Dream Syrax	5,158	2015	Japan	Time Charter Period(4)	323,000 per month	December 2025	January 2027
LPG Dream Vermax	5,155	2015	Japan	Time Charter Period(5)	318,000 per month	March 2025	March 2026

(1) The vessel is currently participating in an unaffiliated tanker pool specializing in the employment of Handysize tanker vessels.

(2) The vessel has been fixed under a time charter period contract of twelve months at $338,000 per month plus twelve months at the charterer's option. The rate for the optional period will be increased at a rate between 2.5% and 9% to be mutually agreed between us and the charterers.

(3) The vessel has been fixed under a time charter period contract of twelve months at $323,000 per month plus twelve months at $335,000 per month at the charterer's option.

(4) The vessel has been fixed under a time charter period contract of twelve months at $323,000 per month. On October 9, 2024, it was agreed between us and the charterers that from May 18, 2025 until January 1, 2026 (plus or minus seven days), the rate will be increased to $337,000 per month, plus twelve months at the charterer's option. The rate for the optional period will be increased at a rate between 2% and 6% to be mutually agreed between us and the charterers.

(5) The vessel has been fixed under a time charter period contract of twelve months at $318,000 per month plus twelve months at the charterer's option at a rate to be mutually agreed between us and the charterers.

Recent Developments

Please refer to Note 17 to our unaudited interim condensed consolidated financial statements for developments that took place after September 30, 2024.

Operating Results

Principal factors impacting our business, results of operations and financial condition

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 of seaborne cargoes and vessel tonnage in the shipping industries in which we operate;
- The cyclical nature of the shipping industry in general and its impact on charter and freight rates and vessel values;
- The successful implementation of our business strategy, including the ability to obtain equity and debt financing at acceptable and attractive terms to fund future capital expenditures and/or to implement this business strategy;
- The global economic growth outlook and trends;
- Economic, regulatory, political and governmental conditions that affect shipping and the tanker shipping industry, including international conflict or war (or threatened war), such as between Russia and Ukraine and in the Middle East, and acts of piracy or maritime aggression, such as recent maritime incidents involving vessels in and around the Red Sea;
- The employment and operation of our fleet including the utilization rates of our vessels;
- The ability to successfully employ our vessels at economically attractive rates and the strategic decisions regarding the employment mix of our fleet in the voyage, time charter and pool markets, as our charters expire or are otherwise terminated;
- Management of the operational, financial, general and administrative elements involved in the conduct of our business and ownership of our fleet, including the effective and efficient management of our fleet by our manager and its sub-managers, and each of their suppliers;
- The number of charterers and pool operators who use our services and the performance of their obligations under their agreements, including their ability to make timely payments to us;
- The ability to maintain solid working relationships with our existing charterers and pool operators and our ability to increase the number of our charterers through the development of new working relationships;
- The vetting approvals requested by oil majors and the Chemical Distribution Institute (CDI) for the vessels managed by our manager and/or sub-managers;
- Dry-docking and special survey costs and duration, both expected and unexpected;
- Our borrowing levels and the finance costs related to our outstanding debt as well as our compliance with our debt covenants;
- Management of our financial resources, including banking relationships and of the relationships with our various stakeholders;
- Major outbreaks of diseases and governmental responses thereto; and
- The level of any distribution on all classes of our shares.

These factors are volatile and in certain cases may not be within our control. Accordingly, past performance is not necessarily indicative of future performance, and it is difficult to predict future performance with any degree of certainty. See also “Item 3. Key Information—D. Risk Factors” in our 2023 Annual Report.

Employment and operation of our fleet

A significant 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 shipping segments in which we operate, our commercial strategy including the decisions regarding the employment mix of our fleet among time and voyage charters and pool arrangements, as well as our manager's and sub-manager's ability to leverage our relationships with existing or potential customers. As a new entrant to the tankers and LPG carriers' business, our customer base is currently concentrated to a small number of charterers and a single pool manager. The breadth of our customer base has historically had an impact on the profitability of our business and in the nine months ended September 30, 2024, 32% of our revenues were earned on pool arrangements entered into with one pool manager and 61% of our revenues were earned on time charters entered into with five different charterers. Further, 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, compliance with environmental regulations and standards and performing the necessary audit for the vessels within the year 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 vessels requires us to manage our financial resources, which includes managing banking relationships, administrating our bank accounts, managing our accounting system, records and financial reporting, monitoring and ensuring compliance with the legal and regulatory requirements affecting our business and assets and managing our relationships with our service providers and customers.

Important Measures and Definitions for Analyzing Results of Operations

Our management uses the following metrics to evaluate our operating results, including our operating results at the segment level, and to allocate capital accordingly:

Total vessel revenues. Total vessel revenues are generated from voyage charters, time charters and pool arrangements. Total vessel revenues are affected by the number of vessels in our fleet, hire and freight rates and the number of days a vessel operates which, in turn, are affected by several factors, including the amount of time that we spend positioning our vessels, the amount of time that our vessels spend in dry-dock undergoing repairs, maintenance and upgrade work, the age, condition and specifications of our vessels, and levels of supply and demand in the seaborne transportation market. Total vessel revenues are also affected by our commercial strategy related to the employment mix of our fleet between vessels on time charters, vessels operating on voyage charters and vessels in pools.

We measure revenues in each segment for three separate activities: (i) time charter revenues, (ii) voyage charter revenues, and (iii) pool revenues.

Voyage expenses. Our voyage expenses primarily consist of bunker expenses, port and canal expenses and brokerage commissions paid in connection with the chartering of our vessels. Voyage expenses are incurred primarily during voyage charters or when the vessel is repositioning or unemployed. Bunker expenses, port and canal dues increase in periods during which vessels are employed on voyage charters because these expenses are in this case borne by us. Under a time charter, the charterer pays substantially all the vessel voyage related expenses. Under pooling arrangements, voyage expenses are borne by the pool operator. Gain/loss on bunkers may also arise where the cost of the bunker fuel sold to the new charterer is greater or less than the cost of the bunker fuel acquired.

Operating expenses. We are responsible for vessel operating costs, which include crewing, expenses for repairs and maintenance, the cost of insurance, tonnage taxes, the cost of spares and consumable stores, lubricating oils costs, communication expenses and other expenses. Expenses for repairs and maintenance tend to fluctuate from period to period because most repairs and maintenance typically occur during periodic dry-docking. Our ability to control our vessels' operating expenses also affects our financial results. Daily vessel operating expenses are calculated by dividing fleet operating expenses by the Ownership Days for the relevant period.

Management fees. Management fees include fees paid to related parties providing certain ship management services to our fleet pursuant to ship management agreements with Castor Ships.

Off-hire. Off-hire is 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/Special Surveys. We periodically dry-dock and/or perform special surveys on 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 and special survey expenses and our ability to complete our scheduled dry-dockings and/or special surveys on time also affects our financial results. Dry-docking and special survey costs are accounted for under the deferral method whereby the actual costs incurred are deferred and are amortized on a straight-line basis over the period through the date the next survey is scheduled to become due.

Ownership Days. Ownership Days are the total number of calendar days in a period during which we owned a vessel. 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 are the Ownership Days in a period less the aggregate number of days our vessels are off-hire due to scheduled repairs, dry-dockings or special or intermediate surveys. The shipping industry uses Available Days to measure the aggregate number of days in a period during which vessels are available to generate revenues. Our calculation of Available Days may not be comparable to that reported by other companies.

Operating Days. Operating Days are the Available Days in a period after subtracting unscheduled off-hire and idle days.

Fleet Utilization. Fleet Utilization is calculated by dividing the Operating Days during a period by the number of Available 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.

Daily Time Charter Equivalent Rate (“Daily TCE Rate”). See Appendix A for a description of the Daily TCE Rate.

Results of Operations

Consolidated Results of Operations

Nine months ended September 30, 2024, as compared to the nine months ended September 30, 2023

	Nine months ended September 30, 2023	Nine months ended September 30, 2024	Change – amount
Total vessel revenues	$ 15,007,524	$ 17,165,481	$ 2,157,957
Expenses:			
Voyage expenses (including commissions to related party)	(1,869,622)	(1,299,007)	570,615
Vessel operating expenses	(6,243,724)	(6,839,757)	(596,033)
Management fees to related parties	(1,183,878)	(1,438,150)	(254,272)
Depreciation and amortization	(2,195,236)	(3,591,785)	(1,396,549)
General and administrative expenses (including costs from related parties)	(3,070,945)	(7,795,087)	(4,724,142)
Provision for doubtful accounts	—	(25,369)	(25,369)
Operating income/(loss)	$ 444,119	$ (3,823,674)	(4,267,793)
Interest and finance costs, net(1)	1,109,074	6,429,446	5,320,372
Foreign exchange (losses)/gains	(12,531)	12,661	25,192
Dividend income from related party	381,944	1,902,778	1,520,834
Dividend income on equity securities	—	4,136	4,136
Loss on equity securities	—	(11,271)	(11,271)
Income taxes	(38,676)	—	38,676
Net income and comprehensive income from continuing operations, net of taxes	$ 1,883,930	$ 4,514,076	$ 2,630,146
Net income and comprehensive income from discontinued operations, net of taxes	$ 110,526,415	$ 19,715,401	$ (90,811,014)
Net income and comprehensive income	$ 112,410,345	$ 24,229,477	$ (88,180,868)

(1) Includes interest and finance costs, net of interest income, if any.

Total Vessel Revenues

Total vessel revenues, net of charterers' commissions, increased to $17.2 million in the nine months ended September 30, 2024, from $15.0 million in the same period in 2023. This increase of $2.2 million was mainly associated with the increase in the Available Days of our fleet to 1,330 days in the nine months ended September 30, 2024, from 872 days in the corresponding period in 2023, as a result of the acquisition of the (i) *LPG Dream Terrax* on May 26, 2023, (ii) *LPG Dream Arrax* on June 14, 2023, (iii) *LPG Dream Syrax* on July 18, 2023 and (iv) *LPG Dream Vermax* on August 4, 2023, partially offset by the sale of the *M/T Wonder Formosa* on November 16, 2023. The Daily TCE Rate decreased to $11,930 in the nine months ended September 30, 2024, from $15,066 in the same period in 2023, mainly due to the change in the mix of our fleet following the addition of the LPG vessels which earn a lower Daily TCE Rate than the Handysize tanker vessels due to their size and the trade they operate in. Daily TCE Rate is not a recognized measure under U.S. GAAP. Please refer to Appendix A for the definition and reconciliation of this measure to the most directly comparable financial measure calculated and presented in accordance with U.S. GAAP.

Voyage Expenses

Voyage expenses for our fleet decreased to $1.3 million in the nine months ended September 30, 2024, from $1.9 million in the same period in 2023. This decrease of $0.6 million was mainly associated with decreased bunkers consumption costs by $0.7 million in the nine months ended September 30, 2024, as compared to the same period in 2023.

Vessel Operating Expenses

The increase in vessel operating expenses by $0.6 million, to $6.8 million in the nine months ended September 30, 2024, from $6.2 million in the same period of 2023, mainly reflects the increase in the Ownership Days of our fleet to 1,370 days in the nine months ended September 30, 2024, from 915 days in the corresponding period in 2023 due to the increase of the average number of operating vessels to 5.0 vessels in the nine months ended September 30, 2024, from 3.4 vessels in the same period of 2023, partially offset by the decrease in the daily vessel operating expenses of the vessels in our fleet to $4,993 in the nine months ended September 30, 2024, from $6,824 in the same period in 2023, mainly due to the change in the mix of our fleet following the addition of the LPG vessels which incur lower daily vessel operating expenses than the Handysize tanker vessels due to their size.

Management Fees

Management fees increased to $1.4 million in the nine months ended September 30, 2024, from $1.2 million in the same period of 2023, as a result of (i) the increase in the Ownership Days of our fleet and (ii) higher management fees, which increased from (a) $975 per vessel per day to $1,039 per vessel per day effective July 1, 2023, and (b) $1,039 per vessel per day to $1,071 per vessel per day effective July 1, 2024, as a result of adjustments for inflation in accordance with the terms of the master management agreement, between the Company, the Company's shipowning subsidiaries and Castor Ships, effective from July 1, 2022 (the "Master Management Agreement").

Depreciation and Amortization

Depreciation expenses for our fleet increased to $3.2 million in the nine months ended September 30, 2024, from $1.8 million in the same period in 2023 as a result of the increase in the Ownership Days of our fleet. Dry-dock amortization charges in the nine months ended September 30, 2024, amounted to $0.4 million, related to the amortization of the *M/T Wonder Mimosa*, which initiated and completed its scheduled dry-dock and special survey in the second and third quarters of 2024, respectively. Dry-dock and special survey amortization charges amounted to $0.4 million in the same period of 2023, related to the amortization of the *M/T Wonder Mimosa* and the *M/T Wonder Formosa*, which underwent its scheduled dry-dock and special survey in the first quarter of 2023 and was sold on November 16, 2023.

General and Administrative Expenses

General and administrative expenses in the nine months ended September 30, 2024, amounted to $7.8 million, whereas, in the same period in 2023, general and administrative expenses totaled $3.1 million. This increase is mainly associated with the stock based compensation cost for non-vested shares granted under our Equity Incentive Plan amounting to $4.4 million. For the period from January 1, 2023 through March 7, 2023 (completion of Spin-Off), General and administrative expenses reflect the expense allocations made to the Company by Castor based on the proportion of the number of Ownership Days of our fleet vessels to the total Ownership Days of Castor's full fleet.

Interest and finance costs, net

Interest and finance costs, net, amounted to $(6.4) million in the nine months ended September 30, 2024, whereas in the same period of 2023, interest and finance costs, net amounted to $(1.1) million. This variation is mainly due to higher cash balances compared to the same period of 2023 and the increase in interest income for the nine months ended September 30, 2024 on our available cash that we earned from our time and cash deposits due to increased interest rates.

Net income from discontinued operations

Net income from discontinued operations decreased by $90.8 million to $19.7 million in the nine months ended September 30, 2024, as compared to $110.5 million in the same period in 2023. For further details regarding the amounts recorded in respect of discontinued operations in the nine months ended September 30, 2023 and 2024, please refer to Note 3 to our unaudited interim condensed consolidated financial statements.

Nine months ended September 30, 2024, as compared to the nine months ended September 30, 2023 — Handysize Tanker Segment

	Nine months ended September 30, 2023	Nine months ended September 30, 2024	Change – amount
Total vessel revenues	$ 11,860,168	$ 5,460,901	$ (6,399,267)
Expenses:			
Voyage expenses (including commissions to related party)	(151,741)	(215,505)	(63,764)
Vessel operating expenses	(4,124,057)	(1,728,403)	2,395,654
Management fees to related parties	(544,126)	(287,630)	256,496
Depreciation and amortization	(1,259,518)	(797,665)	461,853
Segment operating income	$ 5,780,726	$ 2,431,698	$ (3,349,028)

Total Vessel Revenues

Total vessel revenues, net of charterers' commissions for our Handysize tanker segment decreased to $5.5 million in the nine months ended September 30, 2024, from $11.9 million in the same period in 2023. This decrease of $6.4 million was largely driven by the decrease in the Available Days of our Handysize vessels in our fleet to 234 days in the nine months ended September 30, 2024, from 503 days in the corresponding period in 2023, as a result of the sale of the *M/T Wonder Formosa* on November 16, 2023. During the nine months ended September 30, 2024, our Handysize fleet earned on average a Daily TCE Rate of $22,416, compared to an average Daily TCE Rate of $23,277 earned during the same period in 2023. Daily TCE Rate is not a recognized measure under U.S. GAAP. Please refer to Appendix A for the definition and reconciliation of this measure to Total vessel revenues, the most directly comparable financial measure calculated and presented in accordance with U.S. GAAP.

Voyage Expenses

Voyage Expenses increased to $0.2 million for our Handysize tanker segment in the nine months ended September 30, 2024, from $0.1 million compared to the same period in 2023, as a result of the increase by $0.1 million of port and other expenses.

Vessel Operating Expenses

The decrease in operating expenses for our Handysize tanker segment by $2.4 million to $1.7 million in the nine months ended September 30, 2024, from $4.1 million in the corresponding period of 2023, mainly reflects the decrease of the Ownership Days of our Handysize tanker fleet to 274 days in the nine months ended September 30, 2024, from 546 days in the corresponding period in 2023.

Management Fees

Management fees for our Handysize tanker segment decreased to $0.3 million in the nine months ended September 30, 2024, from $0.5 million in the same period in 2023, as a result of the decrease of the Ownership Days of our Handysize tanker fleet, partially offset by the increased management fees following the inflation-based adjustments in management fees discussed in more detail under "*—Consolidated Results of Operations—Management Fees*".

Depreciation and Amortization

Depreciation expenses for our Handysize tanker segment decreased to $0.4 million in the nine months ended September 30, 2024, from $0.8 million in the same period in 2023, as a result of the decrease in the Ownership Days of our Handysize tanker fleet. Dry-dock amortization charges in the nine months ended September 30, 2024, amounted to $0.4 million, related to the amortization of the *M/T Wonder Mimosa*, which initiated and completed its scheduled dry-dock and special survey in the second and third quarters of 2024, respectively. Dry-dock and special survey amortization charges amounted to $0.4 million in the same period of 2023, related to the amortization of the *M/T Wonder Mimosa* and the *M/T Wonder Formosa*, which underwent its scheduled dry-dock and special survey in the first quarter of 2023 and was sold on November 16, 2023.

Nine months ended September 30, 2024 — LPG Carrier Segment

	Nine months ended September 30, 2023	Nine months ended September 30, 2024	Change – amount
Total vessel revenues	$ 3,147,356	$ 11,704,580	$ 8,557,224
Expenses:			
Voyage expenses (including commissions to related party)	(1,717,881)	(1,083,502)	634,379
Vessel operating expenses	(2,119,667)	(5,111,354)	(2,991,687)
Management fees to related parties	(639,752)	(1,150,520)	(510,768)
Depreciation and amortization	(935,718)	(2,794,120)	(1,858,402)
Provision for doubtful accounts	—	(25,369)	(25,369)
Segment operating (loss)/ income	$ (2,265,662)	$ 1,539,715	$ 3,805,377

Total Vessel Revenues

Total vessel revenues for our LPG carrier segment amounted to $11.7 million in the nine months ended September 30, 2024, as compared to $3.1 million in the same period of 2023. This increase of $8.6 million is mainly due to the increase in the Available Days of our LPG carrier vessels in our fleet to 1,096 days in the nine months ended September 30, 2024, from 369 days in the corresponding period in 2023, as the result of the acquisition of the (i)*LPG Dream Terrax* on May 26, 2023, (ii)*LPG Dream Arrax* on June 14, 2023, (iii) *LPG Dream Syrax* on July 18, 2023 and (iv)*LPG Dream Vermax* on August 4, 2023. During the nine months ended September 30, 2024, our LPG Carrier fleet earned on average a Daily TCE Rate of $9,691, compared to an average Daily TCE Rate of $3,874 earned during the same period in 2023. Daily TCE Rate is not a recognized measure under U.S. GAAP. Please refer to Appendix A for the definition and reconciliation of this measure to Total vessel revenues, the most directly comparable financial measure calculated and presented in accordance with U.S. GAAP. During the nine months ended September 30, 2024, our LPG carriers were engaged in voyage and time charters.

Voyage Expenses

Voyage expenses for our LPG carrier segment amounted to $1.1 million and $1.7 million, respectively, in the nine months ended September 30, 2024 and the same period of 2023. This decrease of $0.6 million is mainly associated with a $0.7 million decrease in bunkers consumption costs in the nine months ended September 30, 2024 compared to the same period in 2023.

Vessel Operating Expenses

The increase in Vessel operating expenses for our LPG carrier segment by $3.0 million, to $5.1 million in the nine months ended September 30, 2024, from $2.1 million in the same period in 2023, mainly reflects the increase in the Ownership Days of our LPG carrier vessels to 1,370 days in the nine months ended September 30, 2024, from 369 days in the same period in 2023, due to the vessel acquisitions described above.

Management Fees

The increase in Management fees by $0.6 million to $1.2 million in the nine months ended September 30, 2024, from $0.6 million in the same period in 2023, mainly reflects the increase in the Ownership Days of our LPG carrier fleet, as well as the increase in management fees due to the inflation-based adjustments discussed in more detail under “—Consolidated Results of Operations—Management Fees.”

Depreciation and Amortization

Depreciation expenses for our LPG carrier segment increased to $2.8 million in the nine months ended September 30, 2024, from $0.9 million in the same period in 2023, as a result of the increase in the Ownership Days of our LPG carrier fleet. There were no dry-dock and special survey amortization charges in the nine months ended September 30, 2024, and in the same period in 2023, respectively.

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 cash from operations, proceeds from equity offerings, and borrowings from debt transactions. Our liquidity requirements relate to funding capital expenditures and working capital (which includes maintaining the quality of our vessels and complying with international shipping standards and environmental laws and regulations). In accordance with our business strategy, other liquidity needs may relate to funding potential investments in new vessels 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 nine months ended September 30, 2024, our principal sources of funds were cash from operations and the net proceeds from the sale of the *M/T Wonder Sirius* (discontinued operations).

As of September 30, 2024, and December 31, 2023, we had cash and cash equivalents of $192.1 million and $155.2 million, respectively, which excludes $0 million and $0.4 million of restricted cash in each period under our debt agreements for vessels included in discontinued operations, respectively. Cash and cash equivalents are primarily held in U.S. dollars.

Working capital is equal to current assets minus current liabilities. As of September 30, 2024 and December 31, 2023, we had a working capital surplus of $189.9 million and $157.3 million, respectively.

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 September 30, 2024, will be sufficient to fund the operations of our fleet and meet our normal working capital requirements for that period.

Our medium- and long-term liquidity requirements relate to the funding of cash dividends on our Series A Preferred Shares, when declared, and expenditures relating to the operation and maintenance of our vessels. Sources of funding for our medium- and long-term liquidity requirements include cash flows from operations or new debt financing, if required.

Cash Flows

The following table summarizes our net cash flows provided by/(used in) operating, investing and financing activities for the nine months ended September 30, 2024 and the nine months ended September 30, 2023:

	For the nine months ended September 30, 2023	For the nine months ended September 30, 2024
Net cash provided by operating activities from continuing operations	$ 5,308,976	$ 13,509,080
Net cash used in investing activities from continuing operations	$ (122,149,308)	$ (2,938,362)
Net cash provided by/(used in) financing activities from continuing operations	$ 15,662,945	$ (4,778,008)
Net cash provided by operating activities from discontinued operations	$ 44,443,955	$ 3,530,126
Net cash provided by investing activities from discontinued operations	$ 125,389,588	$ 32,488,070
Net cash used in financing activities from discontinued operations	$ (7,656,400)	$ (5,257,200)
Cash, cash equivalents and restricted cash at beginning of period	$ 42,479,594	$ 155,585,401
Cash, cash equivalents and restricted cash at end of period	**$ 103,479,350**	**$ 192,139,107**

Operating Activities (from continuing operations): Net cash provided by operating activities amounted to $13.5 million for the nine months ended September 30, 2024, consisting of net income of $4.5 million, non-cash adjustments related to depreciation and amortization of $3.6 million, a payment of dry-dock costs of $1.1 million, stock compensation cost of $4.4 million and a net decrease of $2.1 million in working capital which mainly derived from (i) a decrease in accounts receivable by $0.8 million and (ii) a decrease in prepaid expenses and other assets by $0.7 million. For the nine months ended September 30, 2023, net cash provided by operating activities amounted to $5.3 million, consisting of net income of $1.9 million, non-cash adjustments related to depreciation and amortization of $2.2 million, a payment of dry-dock costs of $1.1 million and a net decrease of $2.3 million in working capital which mainly derived from an increase in accounts payable by $2.3 million. The $8.2 million increase in net cash provided by operating activities in the nine months ended September 30, 2024, as compared with the same period of 2023, reflects mainly the increase in net income which was largely driven by the acquisition of LPG vessels in our Fleet and the increased interest and finance costs, net as described above.

Investing Activities (from continuing operations): Net cash used in investing activities in the nine months ended September 30, 2024 amounted to $2.9 million and mainly reflects the purchase of equity securities amounting to $3.1 million, partially offset by $0.2 million of proceeds from sale of equity securities. Net cash used in investing activities in the nine months ended September 30, 2023 amounted to $122.1 million and mainly reflects the (i) vessel acquisitions of the *LPG Dream Terrax, LPG Dream Arrax, LPG Dream Syrax* and *LPG Dream Vermax* amounting to $70.7 million, (ii) purchase of 50,000 5.00% Series D Cumulative Perpetual Convertible Preferred Shares of Castor with a stated amount of $1,000 each for the purchase price of $50.0 million and (iii) payments of initial vessel and ballast water treatment system ("BWTS") installation expenses amounting to $1.4 million.

Financing Activities (from continuing operations): Net cash used in financing activities during the nine months ended September 30, 2024 amounted to $4.8 million and relates to (i) payment for repurchase of common shares under the Company's share repurchase program amounting to $3.7 million and (ii) payment to Castor of a dividend on the Series A Preferred Shares for the period from October 15, 2023 to July 14, 2024 amounting to $1.1 million. Net cash provided by financing activities during the nine months ended September 30, 2023 amounted to $15.7 million and relates to (i) Spin-Off expenses incurred by Castor on our behalf, which were reimbursed by us, amounting to $2.7 million, pursuant to the Contribution and Spin-Off Distribution Agreement entered into between us and Castor on February 24, 2023, (ii) payment to Castor of a dividend on the Series A Preferred Shares for the period from March 7, 2023 to July 14, 2023 amounting to $0.5 million, (iii) net proceeds from the issuance of 8,500,000 common shares pursuant to a subscription agreement with Pani Corp., a company controlled by our Chairman and Chief Executive Officer, amounting to $18.7 million and (iv) a net increase in former parent company investment amounting to $0.2 million.

In the nine months ended September 30, 2024 and 2023, the parent company (continuing operations) received the amounts of $64.6 million and $50.0 million, representing return of capital and dividend from discontinued operations, which are eliminated in consolidation. Also, in the nine months ended September 30, 2024, the treasury manager of the parent company (continuing operations) returned to the discontinued operations the amount of $30.0 million, and in the nine months ended September 30, 2023, the discontinued operations transferred to the treasury manager of the parent company (continuing operations) the amount of $128.3 million, which are eliminated in consolidation.

Critical Accounting Estimates

Critical accounting estimates are those estimates made in accordance with generally accepted accounting principles that involve a significant level of estimation uncertainty and have had or are reasonably likely to have a material impact on our financial condition or results of operations. We prepare our financial statements in accordance with U.S. GAAP. On a regular basis, management reviews the accounting policies, assumptions, estimates and judgments to ensure that our financial statements are presented fairly and in accordance with U.S. GAAP. However, because future events and their effects cannot be determined with certainty, actual results could differ from our assumptions and estimates, and such differences could be material. For more details on our Critical Accounting Estimates, please read "Item 5. Operating and Financial Review and Prospects—E. Critical Accounting Estimates" in our 2023 Annual Report. For a description of our significant accounting policies, please read Note 2 to our unaudited interim condensed consolidated financial statements, "Item 18. Financial Statements" in our 2023 Annual Report and more precisely "Note 2. Summary of Significant Accounting Policies" of our consolidated financial statements included in our 2023 Annual Report.

APPENDIX A

Non-GAAP Financial Information

Daily TCE Rate. The Daily Time Charter Equivalent Rate ("Daily TCE Rate"), is a measure of the average daily revenue performance of a vessel. The Daily TCE Rate is not a measure of financial performance under U.S. GAAP (i.e., it is a non-GAAP measure) and should not be considered as an alternative to any measure of financial performance presented in accordance with U.S. GAAP. We calculate Daily TCE Rate by dividing total revenues (time charter and/or voyage charter revenues, and/or pool 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 or other charter, during periods of commercial waiting time or while off-hire during dry-docking or due to other unforeseen circumstances. Under voyage charters, the majority of voyage expenses are generally borne by us whereas for vessels in a pool, such expenses are borne by the pool operator. The Daily 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 Daily TCE Rate provides meaningful information to our investors because it compares daily net earnings generated by our vessels irrespective of the mix of charter types (e.g., time charter, voyage charter, pools) 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 the Daily TCE Rates may be different from and may not be comparable to that reported by other companies. The following table reconciles the calculation of the Daily TCE Rate for our fleet to Total vessel revenues, the most directly comparable U.S. GAAP financial measure, for the periods presented (amounts in U.S. dollars, except for Available Days):

Reconciliation of Daily TCE Rate to Total vessel revenues — Consolidated (continuing operations)

	Nine months ended September 30, 2023	Nine months ended September 30, 2024
Total vessel revenues	$ 15,007,524	$ 17,165,481
Voyage expenses – including commissions to related party	(1,869,622)	(1,299,007)
TCE revenues	**$ 13,137,902**	**$ 15,866,474**
Available Days	872	1,330
Daily TCE Rate	**$ 15,066**	**$ 11,930**

Reconciliation of Daily TCE Rate to Total vessel revenues — Handysize Tanker Segment

	Nine months ended September 30, 2023	Nine months ended September 30, 2024
Total vessel revenues	$ 11,860,168	$ 5,460,901
Voyage expenses – including commissions to related party	(151,741)	(215,505)
TCE revenues	**$ 11,708,427**	**$ 5,245,396**
Available Days	503	234
Daily TCE Rate	**$ 23,277**	**$ 22,416**

Reconciliation of Daily TCE Rate to Total vessel revenues — LPG Carrier Segment

	Nine months ended September 30, 2023	Nine months ended September 30, 2024
Total vessel revenues	$ 3,147,356	$ 11,704,580
Voyage expenses – including commissions to related party	(1,717,881)	(1,083,502)
TCE revenues	**$ 1,429,475**	**$ 10,621,078**
Available Days	369	1,096
Daily TCE Rate	**$ 3,874**	**$ 9,691**