



**Part II Organizational Action** (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ See attached statement.

Multiple horizontal lines for providing details for question 17.

18 Can any resulting loss be recognized? ▶ See attached statement.

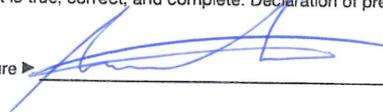
Multiple horizontal lines for providing details for question 18.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ See attached statement.

Multiple horizontal lines for providing details for question 19.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

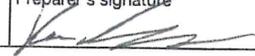
Sign Here

Signature ▶ 

Date ▶ 4/20/2023

Print your name ▶ Petros Panagiotidis

Title ▶ CEO & CFO

<b>Paid Preparer Use Only</b>	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Kyle Glickson		4/20/2023		P02478986
	Firm's name ▶ Flott & Co. PC			Firm's EIN ▶ 54-1833719	
	Firm's address ▶ 2200 Wilson Blvd, Suite 320, Arlington, VA 22201			Phone no. 703-525-5110	

**CASTOR MARITIME INC.**  
**Attachment to Form 8937**  
**Date of Organizational Action: March 7, 2023**  
**Distribution of Common Shares of Toro Corp.**

**The information contained herein does not constitute tax advice, does not take into account any stockholder's specific facts and circumstances, and does not purport to be a complete summary of the tax consequences of the reported organizational action to each stockholder. Castor stockholders should consult their tax advisors to determine the tax impact of the reported organizational action with respect to their individual facts and circumstances.**

**Part II, Box 14:**

On November 15, 2022, and December 30, 2022, the board of directors of Castor Maritime Inc. ("Castor") approved and authorized the spin-off of the company's Aframax/LR2 tanker segment and Handysize tanker segment, whereby the tanker-owning subsidiaries and the holding company of the now sold tanker vessel, M/T Wonder Arcturus, were contributed to Castor's then wholly owned subsidiary, Toro Corp. ("Toro"), in exchange for (i) the issuance to Castor of 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 having a stated amount of \$1,000 per share, and (iii) the issuance to Pelagos Holding Corp, a controlled affiliate of Castor's Chairman/CEO/CFO, of 40,000 Series B Preferred Shares of Toro, par value \$0.001 per share against payment of the par value of such shares (collectively, the "Contribution"). On March 7, 2023, Castor effected the Contribution and distributed, on a pro rata basis, all common shares of Toro received in the Contribution to Castor's common stockholders of record at the close of business on February 22, 2023, with one Toro common share being distributed for every ten Castor common shares ("the Distribution"). As of the date of this filing, Castor and Toro operate as independent publicly traded companies each listed on the NASDAQ Capital Market.

**Part II, Box 15:**

At the time of this filing, and based upon reasonable assumptions by Castor, Castor does not expect the Distribution to have any quantitative effect on the basis of Castor's common stock in the hands of U.S. taxpayers. Castor's current and accumulated earnings and profits ("E&P") through the end of the 2022 tax year significantly exceeded what Castor believes is the fair market value of the Distribution. Accordingly, if Castor were to use the 2022 E&P, all of the Distribution would be treated as a taxable dividend for U.S. federal income tax purposes, and no basis adjustment would be expected for U.S. taxpayers because the basis of stock is only reduced by the portion of the distribution that is not treated as a dividend for U.S. federal income tax purposes. However, the E&P through the end of the 2023 tax year is needed for purposes of determining the quantitative effect of the Distribution, and 2023 E&P cannot be accurately projected at the time of this filing. Therefore, it is uncertain whether all, a portion, or none of the Distribution would be treated as a dividend for U.S. federal income tax purposes.

Pursuant to the applicable Treasury Regulations under IRC § 6045B, if the assumptions relating to the 2023 E&P turn out to be incorrect, Castor will revise and publish an updated Form 8937 on its website within 45 days of such determination.

**Part II, Box 16:**

For the reasons provided in Box 15, at the time of this filing, and based upon reasonable assumptions by Castor, Castor does not expect any change in the basis of Castor's common stock in the hands of U.S. taxpayers.

U.S. federal tax law is not clear as to the method of determining the fair market value of the Toro common shares distributed. On March 8, 2023 (the trading day following the distribution of Toro shares), the closing price for Toro's common stock was \$3.85 per share. The calculation of 9,461,009 Toro common shares at a price of \$3.85 per share amounts to a total distribution value of \$36,424,884.65. The fair market value of the Distribution of such Toro common shares is significantly less than Castor's current and accumulated E&P through the 2022 tax year.

Pursuant to the applicable Treasury Regulations under IRC § 6045B, if the assumptions relating to the 2023 E&P turn out to be incorrect, Castor will revise and publish an updated Form 8937 on its website within 45 days of such determination.

**Part II, Box 17:**

IRC §§ 301(a), 301(c), 316(a)(1)-(2).

**Part II, Box 18:**

As described in Box 15, assuming that all of the Distribution is treated as a taxable dividend for U.S. federal income tax purposes, the Distribution should not result in recognition of a taxable loss to any stockholder.

**Part II, Box 19:**

The reportable tax year is 2023.