



On August 1, 2025 (the “**Distribution Date**”), Top Ships Inc. (“**Top Ships**”) distributed 100% of the outstanding shares of common stock of Rubico Inc. (“**Rubico**”) pro rata to Top Ships shareholders of record as of June 16, 2025 (the “**Record Date**,” and such distribution, the “**Distribution**”). In the Distribution, each shareholder who held Top Ships common stock on the Record Date received one share of Rubico common stock for every two shares of Top Ships common stock owned on the Record Date. In addition, holders of warrants to purchase shares of Top Ships common stock received one share of Rubico common stock for every two shares of Top Ships common stock issuable on exercise of such warrants. Fractional common shares of Rubico stock were not distributed. Instead, the distribution agent aggregated fractional common shares into whole shares, sold such whole shares in the open market at prevailing rates promptly after the Rubico common shares commenced trading, and distributed the net cash proceeds from the sales pro rata to each holder who would otherwise have been entitled to receive fractional common shares in the distribution.

The Rubico shares began trading on the Nasdaq Capital Market (“**Nasdaq**”) on August 4, 2025, the first business day after the Distribution Date (the “**Trading Date**”).

Top Ships has taken the position that the Distribution did not satisfy the requirements for a tax-free spin-off under Section 355 of the U.S. Internal Revenue Code of 1986 (the “**Code**”). Based on this position, shareholders that received common shares and cash in lieu of fractional shares in the Distribution should be treated for U.S. federal tax purposes as receiving a distribution from Top Ships in the amount of the fair market value of the Rubico shares received.

U.S. federal income tax law does not provide any guidance on the determination of fair market value. You should consult your tax advisor to determine the appropriate fair market value. One method to determine the fair market value is to use the closing price of the Rubico common stock on Nasdaq on the Trading Date. The Nasdaq closing price of a share of Rubico common stock on the Trading Date was \$3.40.¹ Based on this price, and taking into account the 2-to-1 ratio of Top Ships shares to Rubico shares received, each Top Ships shareholder should be treated as having received a distribution with a value of \$1.70 per Top Ships share.

The distribution should be treated as a dividend to the extent of Top Ships’ current or accumulated earnings and profits at the time of the Distribution, as determined under U.S. federal income tax principles. Based on Top Ships’ calculations, the entire amount of the distribution should be treated as a dividend.

¹ Subsequent to the Distribution, Rubico effected two reverse stock splits pursuant to which shareholders received one new share of Rubico common stock for every 30 and 7.8, respectively, old shares of Rubico common stock. The reported trading price listed on web sites such as Yahoo Finance has been adjusted to reflect these reverse stock splits, such that the current reported trading price is listed as approximately \$795.65 per common share.

Certain dividends are treated as “qualified dividend income” that is taxable to certain investors at preferential tax rates. The dividend should be eligible for qualified dividend income treatment to applicable investors as long as:

- (1) the Top Ships shares were readily tradable on an established securities market in the United States;
- (2) Top Ships was not a “passive foreign investment company” (“**PFIC**”) for its 2024 or 2025 taxable years;
- (3) the applicable investor has owned the common shares for more than 60 days in the 121-day period beginning 60 days before the date on which the common shares become ex-dividend; and
- (4) the applicable investor is not under an obligation to make related payments with respect to positions in substantially similar or related property.

The first two of these conditions should be satisfied: Top Ships’ common shares were readily tradable on NYSE American LLC, which is an established securities market in the United States, and Top Ships should not be classified as a PFIC for its 2024 or 2025 tax years. The last two conditions are specific to the investor.

The tax treatment to warrant holders who received Rubico shares in the Distribution is subject to some uncertainty. Top Ships has taken the position that warrant holders should be taxed in the same manner as shareholders. Based on this position, warrant holders generally should be treated as receiving a dividend in the Distribution, which may constitute qualified dividend income depending on the investor’s applicable circumstances.

Each Top Ships shareholder and warrant holder is urged to consult his, her or its own tax advisor regarding the consequences of the transactions described herein.