
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549**

FORM 20-F

(Mark One)

**REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR 12(g) OF THE
SECURITIES EXCHANGE ACT OF 1934**

OR

**ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2022

OR

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934**

OR

**SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934**

Date of event requiring this shell company report: Not applicable

For the transition period from _____ to _____

Commission file number: 001-34848

SEANERGY MARITIME HOLDINGS CORP.

(Exact name of Registrant as specified in its charter)

(Translation of Registrant's name into English)

Republic of the Marshall Islands

(Jurisdiction of incorporation or organization)

154 Vouliagmenis Avenue, 166 74 Glyfada, Greece

(Address of principal executive offices)

Stamatios Tsantanis, Chairman & Chief Executive Officer

Seanergy Maritime Holdings Corp.

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(Name, Telephone, E-mail and/or Facsimile number and Address of Company Contact Person)

Securities registered or to be registered pursuant to Section 12(b) of the Act:

Title of class	Trading Symbol(s)	Name of exchange on which Registered
Shares of common stock, par value \$0.0001 per share Preferred Stock Purchase Rights	SHIP	The Nasdaq Stock Market LLC The Nasdaq Stock Market LLC

Securities registered or to be registered pursuant to Section 12(g) of the Act: None

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act: None

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report: As of December 31, 2022, there were 18,191,614 shares of the registrant's common stock, \$0.0001 par value, and 20,000 shares of the registrant's Series B Preferred Stock, \$0.0001 par value, outstanding.

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934. Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer Non-accelerated filer
Emerging growth company

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards† provided pursuant to Section 13(a) of the Exchange Act.

† The term "new or revised financial accounting standard" refers to any update issued by the Financial Accounting Standards Board to its Accounting Standards Codification after April 5, 2012.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b).

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP International Financial Reporting Standards as issued by the International Accounting Standards Board Other

If "Other" has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow.

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If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

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CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This annual report contains certain forward-looking statements made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements include, but are not limited to, statements regarding our or our management's expectations, hopes, beliefs, intentions or strategies regarding the future and other statements that are other than statements of historical fact. In addition, any statements that refer to projections, forecasts or other characterizations of future events or circumstances, including any underlying assumptions, are forward-looking statements. The words "anticipate," "believe," "continue," "could," "estimate," "expect," "intend," "may," "might," "plan," "possible," "potential," "predict," "project," "should," "would" and similar expressions may identify forward-looking statements, but the absence of these words does not mean that a statement is not forward-looking.

The forward-looking statements in this annual report are based upon various assumptions, many of which are based, in turn, upon further assumptions, including without limitation, management's examination of historical operating trends, data contained in our records and other data available from third parties. Although we believe that these assumptions were reasonable when made, because these assumptions are inherently subject to significant uncertainties and contingencies which are difficult or impossible to predict and are beyond our control, we cannot assure you that we will achieve or accomplish these expectations, beliefs or projections. As a result, you are cautioned not to rely on any forward-looking statements.

Many of these statements are based on our assumptions about factors that are beyond our ability to control or predict and are subject to risks and uncertainties that are described more fully in "Item 3. Key Information—D. Risk Factors." Any of these factors or a combination of these factors could materially affect our future results of operations and the ultimate accuracy of the forward-looking statements. In addition to these important factors, important factors that, in our view, could cause actual results to differ materially from those discussed in the forward-looking statements include among other things:

- changes in shipping industry trends, including charter rates, vessel values and factors affecting vessel supply and demand;
 - changes in seaborne and other transportation patterns;
 - changes in the supply of or demand for dry bulk commodities, including dry bulk commodities carried by sea, generally or in particular regions;
 - changes in the number of newbuildings under construction in the dry bulk shipping industry;
 - changes in the useful lives and the value of our vessels and the related impact on our compliance with loan covenants;
 - the aging of our fleet and increases in operating costs;
 - changes in our ability to complete future, pending or recent acquisitions or dispositions;
 - our ability to achieve successful utilization of our expanded fleet;
 - changes to our financial condition and liquidity, including our ability to pay amounts that we owe and obtain additional financing to fund capital expenditures, acquisitions and other general corporate activities;
 - risks related to our business strategy, areas of possible expansion or expected capital spending or operating expenses;
 - changes in our ability to leverage the relationships and reputation in the dry bulk shipping industry of V.Ships Limited, or V.Ships, and V.Ships Greece Ltd., or V.Ships Greece, our technical and crew managers of certain of our vessels, and Fidelity Marine Inc., or Fidelity, our commercial manager;
 - changes in the availability of crew, number of off-hire days, classification survey requirements and insurance costs for the vessels in our fleet;
 - changes in our relationships with our contract counterparties, including the failure of any of our contract counterparties to comply with their agreements with us;
 - loss of our customers, charters or vessels;
 - damage to our vessels;
 - potential liability from future litigation and incidents involving our vessels;
 - our future operating or financial results;
 - acts of terrorism and other hostilities, pandemics or other calamities (including, without limitation, the coronavirus, or COVID-19, pandemic);
 - risks associated with the length and severity of the COVID-19 pandemic (and various variants that may emerge), including its effects on demand for dry bulk products, crew changes and the transportation thereof;
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- changes in global and regional economic and political conditions;
- general domestic and international political conditions or events, including “trade wars” and the ongoing war between Russia and Ukraine and related sanctions;
- changes in governmental rules and regulations or actions taken by regulatory authorities, particularly with respect to the dry bulk shipping industry;
- our ability to continue as a going concern; and
- other factors discussed in “Item 3. Key Information—D. Risk Factors.”

Should one or more of the foregoing risks or uncertainties materialize, or should any of our assumptions prove incorrect, actual results may vary in material respects from those projected in these forward-looking statements. Consequently, there can be no assurance that actual results or developments anticipated by us will be realized or, even if substantially realized, that they will have the expected consequences to, or effects, on us. Given these uncertainties, prospective investors are cautioned not to place undue reliance on such forward-looking statements.

We undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required under applicable laws. If one or more forward-looking statements are updated, no inference should be drawn that additional updates will be made with respect to those or other forward-looking statements.

PART I

Unless the context otherwise requires, as used in this annual report, the terms “Company,” “Seanergy,” “we,” “us,” and “our” refer to Seanergy Maritime Holdings Corp. and any or all of its subsidiaries, and “Seanergy Maritime Holdings Corp.” refers only to Seanergy Maritime Holdings Corp. and not to its subsidiaries.

We use the term deadweight tons, or “dwt,” in describing the size of vessels. Dwt, expressed in metric tons, each of which is equivalent to 1,000 kilograms, refers to the maximum weight of cargo and supplies that a vessel can carry. Unless otherwise indicated, all references to “U.S. dollars,” “dollars,” “U.S. \$” and “\$” in this annual report are to the lawful currency of the United States of America. References in this annual report to our common shares are retroactively adjusted to reflect the Company’s reverse stock splits, including the one-for-fifteen reverse stock split which became effective as of March 20, 2019, the one-for-sixteen reverse stock split which became effective as of June 30, 2020, and the one-for-ten reverse stock split which became effective as of February 16, 2023.

ITEM 1. IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISERS

Not applicable.

ITEM 2. OFFER STATISTICS AND EXPECTED TIMETABLE

Not applicable.

ITEM 3. KEY INFORMATION

A. [Reserved]

B. Capitalization and Indebtedness

Not applicable.

C. Reasons for the Offer and Use of Proceeds

Not applicable.

D. Risk Factors

Some of the following risks relate principally to the industry in which we operate and others relate to our business in general or our common stock. If any of the following risks occur, our business, financial condition, operating results and cash flows could be materially adversely affected and the trading price of our securities could decline.

Summary of Risk Factors

Below is a summary of the principal factors that make an investment in our common stock speculative or risky. This summary does not address all of the risks that we face. Additional discussion of the risks summarized in this risk factor summary, and other risks that we face, can be found below under the headings “Risks Relating to Our Industry,” “Risks Relating to Our Company” and “Risks Relating to Our Common Shares” and should be carefully considered, together with other information in this annual report on Form 20-F and our other filings with the Securities and Exchange Commission, before making an investment decision regarding our common stock.

Risks Relating to Our Industry

- *Charter hire rates for dry bulk vessels are cyclical and volatile and the dry bulk market remains significantly below its historic high. This may adversely affect our earnings, revenue and profitability and our ability to comply with our loan covenants or covenants in other financing agreements.*
- *Outbreaks of epidemic and pandemic diseases, including COVID-19, and any relevant governmental responses thereto could adversely affect our business, results of operations or financial condition.*
- *We are currently dependent on index-linked charters, while in the past a part of our fleet was employed on a spot voyage basis. Any decrease in spot freight charter rates or indexes in the future may adversely affect our earnings.*
- *An over-supply of dry bulk vessel capacity may depress the current charter rates and vessel values and, in turn, adversely affect our profitability.*
- *If economic conditions throughout the world decline, it will negatively impact our results of operations, financial condition and cash flows, and could cause the market price of our common shares to decline.*
- *Terrorist attacks and international hostilities could affect our business, results of operations, cash flows and financial condition.*
- *Risks associated with operating ocean-going vessels could affect our business and reputation, which could adversely affect our revenues and expenses.*
- *Rising fuel prices may adversely affect our profits.*
- *Inflation could adversely affect our operating results and financial condition.*
- *Our revenues are subject to seasonal fluctuations, which could affect our operating results and ability to service our debt or pay dividends.*
- *Climate change and greenhouse gas restrictions may be imposed.*
- *Pending and future tax law changes may result in significant additional taxes to us.*
- *Increased scrutiny of environmental, social and governance matters may impact our business and reputation.*
- *Our vessels may call on ports located in or may operate in countries that are subject to restrictions or sanctions imposed by the United States, the European Union or other governments that could result in fines or other penalties imposed on us and may adversely affect our reputation and the market price of our common shares.*
- *Sulfur regulations to reduce air pollution from ships may require retrofitting of vessels and may cause us to incur significant costs.*
- *We are subject to regulation and liability under environmental laws that could require significant expenditures and affect our cash flows and net income.*
- *Regulations relating to ballast water discharge may adversely affect our revenues and profitability.*
- *Increased inspection procedures, tighter import and export controls and new security regulations could increase costs and disrupt our business.*
- *Acts of piracy on ocean-going vessels have increased in frequency, which could adversely affect our business.*
- *The operation of dry bulk vessels has particular operational risks.*
- *If any of our vessels fails to maintain its class certification or fails any annual survey, intermediate survey, or special survey, or if any scheduled class survey takes longer or is more expensive than anticipated, this could have a material adverse impact on our financial condition and results of operations.*
- *Because seafaring employees we employ are covered by industry-wide collective bargaining agreements, failure of industry groups to renew those agreements may disrupt our operations and adversely affect our earnings.*
- *Maritime claimants could arrest or attach one or more of our vessels, which could interrupt our cash flows.*
- *Governments could requisition our vessels during a period of war or emergency, which could negatively impact our business, financial condition, results of operations, and available cash.*

Risks Relating to Our Company

- *The market values of our vessels may decrease, which could limit the amount of funds that we can borrow or trigger breaches of certain financial covenants under our current or future loan agreements and other financing agreements, and we may incur an impairment or, if we sell vessels following a decline in their market value, a loss.*
- *We may enter into newbuilding projects which are subject to risks that could cause delays.*
- *We may be unable to obtain financing for any vessels we may acquire.*
- *We may acquire additional vessels in the future, and if those vessels are not delivered on time or are delivered with significant defects, our earnings and financial condition could suffer.*
- *Substantial debt levels could limit our flexibility to obtain additional financing and pursue other business opportunities.*
- *Our loan agreements and other financing arrangements contain, and we expect that other future loan agreements and financing arrangements will contain, restrictive covenants that may limit our liquidity and corporate activities, which could limit our operational flexibility and have an adverse effect on our financial condition and results of operations. In addition, because of the presence of cross-default provisions in our loan agreements and financing arrangements, a default by us under one loan or financing agreement could lead to defaults under multiple loans and financing agreements.*
- *We depend on officers and directors who are associated with United Maritime Corporation, of the Republic of the Marshall Islands (“United”), which may create conflicts of interest.*
- *If we fail to manage our planned growth properly, we may not be able to successfully expand our market share.*
- *Purchasing and operating secondhand vessels, such as our current fleet, may result in increased operating costs and vessel off-hire, which could adversely affect our financial condition and results of operations.*
- *Volatility of LIBOR and potential changes of the use of LIBOR as a benchmark could affect our profitability, earnings, and cash flow.*
- *The failure of our current or future counterparties to meet their obligations under our charter agreements could cause us to suffer losses or otherwise adversely affect our business.*

- *Rising crew costs may adversely affect our profits.*
- *We may not be able to attract and retain key management personnel and other employees in the shipping industry, which may negatively affect the effectiveness of our management and our results of operations.*
- *Our vessels may suffer damage, and we may face unexpected repair costs, which could adversely affect our cash flow and financial condition.*
- *We are exposed to U.S. dollar and foreign currency fluctuations and devaluations that could harm our reported revenue and results of operations.*
- *We maintain cash with a limited number of financial institutions including financial institutions that may be located in Greece, which will subject us to credit risk.*
- *We are a holding company and we depend on the ability of our subsidiaries to distribute funds to us in order to satisfy financial obligations or to pay dividends.*
- *In the highly competitive international shipping industry, we may not be able to compete for charters with new entrants or established companies with greater resources, which may adversely affect our results of operations.*
- *Due to our lack of fleet diversification, adverse developments in the maritime dry bulk shipping industry would adversely affect our business, financial condition, and operating results.*
- *We may be subject to litigation that, if not resolved in our favor and not sufficiently insured against, could have a material adverse effect on us.*
- *The shipping industry has inherent operational risks that may not be adequately covered by our insurances. Further, because we obtain some of our insurances through protection and indemnity associations, we have been and may in the future be retrospectively subject to calls or premiums in amounts based not only on our own claim records, but also on the claim records of all other members of the protection and indemnity associations.*
- *Failure to comply with the U.S. Foreign Corrupt Practices Act of 1977, or FCPA, could result in fines, criminal penalties, and an adverse effect on our business.*
- *We depend significantly on third-party technical and commercial managers for crewing and certain aspects of technical and commercial management of some of our ships. Our operations could be negatively affected if third-party managers fail to perform their services satisfactorily.*
- *Management fees will be payable to our managers regardless of our profitability, which could have a material adverse effect on our business, financial condition and results of operations.*
- *We may be classified as a passive foreign investment company, which could result in adverse U.S. federal income tax consequences to U.S. holders of our common stock.*
- *We may have to pay tax on U.S. source income, which would reduce our earnings.*
- *We may be subject to tax in the jurisdictions in which we or our vessel-owning or management subsidiaries are incorporated or operate.*
- *We are a “foreign private issuer,” which could make our common stock less attractive to some investors or otherwise harm our stock price.*
- *Our corporate governance practices are in compliance with, and are not prohibited by, the laws of the Republic of the Marshall Islands, and as such we are entitled to exemption from certain Nasdaq corporate governance standards. As a result, you may not have the same protections afforded to stockholders of companies that are subject to all of the Nasdaq corporate governance requirements.*
- *We conduct business in China, where the legal system is not fully developed and has inherent uncertainties that could limit the legal protections available to us.*
- *Changing laws and evolving reporting requirements could have an adverse effect on our business.*
- *A cyber-attack could materially disrupt our business.*
- *The smuggling of drugs or other contraband onto our vessels may lead to governmental claims against us.*
- *The international nature of our operations may make the outcome of any potential bankruptcy proceedings difficult to predict.*

Risks Relating to Our Common Shares

- *We may issue additional common shares or other equity securities without shareholder approval, which would dilute our existing shareholders' ownership interests and may depress the market price of our common shares.*
- *The market price of our common shares has been and may in the future be subject to significant fluctuations. Further, there is no guarantee of a continuing public market to resell our common shares.*
- *A possible “short squeeze” due to a sudden increase in demand of our common stock that largely exceeds supply may lead to further price volatility in our common shares.*
- *We may not have the surplus or net profits required by law to pay dividends. The declaration and payment of dividends will always be subject to the discretion of our board of directors and will depend on a number of factors. Our board of directors may not declare dividends in the future.*
- *The superior voting rights of our Series B Preferred Shares may limit the ability of our common shareholders to control or influence corporate matters, and the interests of the holder of such shares could conflict with the interests of common shareholders.*
- *Anti-takeover provisions in our restated articles of incorporation, as amended, and third amended and restated bylaws could make it difficult for our shareholders to replace or remove our current board of directors or could have the effect of discouraging, delaying or preventing a merger or acquisition, which could adversely affect the market price of our common shares.*
- *Issuance of preferred shares, such as our Series B Preferred Shares, may adversely affect the voting power of our common shareholders and have the effect of discouraging, delaying or preventing a merger or acquisition, which could adversely affect the market price of our common shares.*
- *We may fail to meet the continued listing requirements of Nasdaq, which could cause our common shares to be delisted.*
- *We are incorporated in the Republic of the Marshall Islands, which does not have a well-developed body of corporate law, which may negatively affect the ability of shareholders to protect their interests.*
- *As a Marshall Islands corporation with principal executive offices in Greece, and also having subsidiaries in the Republic of the Marshall Islands and other offshore jurisdictions such as Liberia, Bermuda and the British Virgin Islands, our operations may be subject to economic substance requirements.*
- *It may not be possible for investors to serve process on or enforce U.S. judgments against us.*

Risks Relating to Our Industry

Charter hire rates for dry bulk vessels are cyclical and volatile and the dry bulk market remains significantly below its historic high. This may adversely affect our earnings, revenue and profitability and our ability to comply with our loan covenants or covenants in other financing agreements.

The volatility in the dry bulk charter market, from which we derive substantially all of our revenues, has affected the dry bulk shipping industry and has harmed our business. The Baltic Dry Index, or the BDI, a daily average of charter rates for key dry bulk routes published by the Baltic Exchange Limited, has long been viewed as the main benchmark to monitor the movements of the dry bulk vessel charter market and the performance of the entire dry bulk shipping market and has been very volatile in recent years. The BDI, declined from an all-time high of 11,793 in May 2008 to an all-time low of 290 in February 2016, which represents a decline of approximately 98%. In the following years volatility was also apparent, albeit less extreme. In 2021, the BDI ranged from a low of 1,303 on February 10, 2021 to a high of 5,650 on October 7, 2021. During 2022, the BDI ranged from a low of 965 to a high of 3,369; as of March 28, 2023, it stood at 1,402.

The decline from historic highs and volatility in charter rates following 2008 is due to various factors, including the over-supply of dry bulk vessels, the lack of trade financing for purchases of commodities carried by sea, which resulted in a significant decline in cargo shipments, and trade disruptions caused by natural or other disasters, such as those that resulted from the dam collapse in Brazil in 2019 and the outbreak of the coronavirus infection in China. More recently, following Russia's invasion of Ukraine in February 2022, the U.S., the EU, the UK and other countries have imposed sanctions against Russia and certain disputed regions of Ukraine, including, among others, prohibitions and restrictions on selling or importing goods, services or technology in or from affected regions, travel bans and asset freezes impacting connected individuals and political, military, business and financial organizations in Russia, severing large Russian banks from U.S. and/or other financial systems, and barring some Russian enterprises from raising money in the U.S. market. The U.S., EU and other countries could impose wider sanctions and take other actions. The war in Ukraine has disrupted supply chains and caused instability in the energy markets and the global economy and it has resulted in higher freight market volatility and while the initial effect on the dry bulk freight market was positive, the long-term effects are uncertain. These circumstances have had adverse consequences from time to time for dry bulk shipping, including, among other developments:

- decrease in available financing for vessels;
- no active secondhand market for the sale of vessels;
- charterers seeking to renegotiate the rates for existing time charters;
- widespread loan covenant defaults in the dry bulk shipping industry due to the substantial decrease in vessel values; and
- declaration of bankruptcy by some operators, charterers and vessel owners.

The degree of charter hire rate volatility among different types of dry bulk vessels has varied widely. If we enter into a charter when charter hire rates are low, our revenues and earnings will be adversely affected and we may not be able to successfully charter our vessels at rates sufficient to allow us to operate our business profitably or meet our obligations. Further, if low charter rates in the dry bulk market decline further for any significant period, this could have an adverse effect on our vessel values and ability to comply with the financial covenants in our loan agreements or other financing agreements. In such a situation, unless our lenders are willing to provide waivers of covenant compliance or modifications to our covenants, our lenders could accelerate our debt and we could face the loss of our vessels. We expect continued volatility in market rates for our vessels in the foreseeable future with a consequent effect on our short and medium-term liquidity.

Outbreaks of epidemic and pandemic diseases, including COVID-19, and any relevant governmental responses thereto could adversely affect our business, results of operations or financial condition.

Global public health threats, such as the coronavirus first identified in China in the end of 2019, or COVID-19, influenza and other highly communicable diseases or viruses, outbreaks of which have from time to time occurred in various parts of the world in which we operate, including China, could adversely impact our operations, as well as the operations of our customers. The COVID-19 pandemic has, among other things, caused factory closures and restrictions on travel, as well as labor shortages or lack of berths, delays and uncertainties relating to newbuildings, drydockings, vessel inspections, shortages or a lack of access to required spare parts and other functions of shipyards.

The outbreak of COVID-19 caused severe global disruptions and may continue to negatively impact the economic conditions regionally as well as globally and otherwise impact our operations and the operations of our customers and suppliers. Governments in affected countries have imposed, and may continue to impose, travel bans, quarantines and other emergency public health measures. Companies have also taken precautions, such as requiring employees to work remotely, imposing travel restrictions and temporarily closing businesses. These restrictions, and future prevention and mitigation measures, are likely to continue to have an adverse impact on global economic conditions, which could materially and adversely affect our future operations. Uncertainties regarding the economic impact of the COVID-19 outbreak is likely to result in sustained market turmoil, which could also negatively impact our business, financial condition and cash flows. As a result of these measures, our vessels may not be able to call on ports, or may be restricted from disembarking from ports, located in regions affected by the outbreak. In addition we may experience severe operational disruptions and delays, unavailability of normal port infrastructure and services including limited access to equipment, critical goods and personnel, disruptions to crew changes, quarantine of ships and/or crew, counterparty solidity, closure of ports and custom offices, as well as disruptions in the supply chain and industrial production, which may lead to reduced cargo demand, amongst other potential consequences attendant to epidemic and pandemic diseases.

Although the incidence and severity of COVID-19 and its variants have diminished over time, periodic spikes in incidence occur. Many nations worldwide have significantly eased or eliminated restrictions that were enacted at the outset of the COVID-19 outbreak. The United States has announced that it will terminate the COVID-19 national emergency and public health emergency that was put in place in 2020. Notably, the Chinese government removed its zero-COVID policy in December 2022, although China is now facing a sudden surge in COVID-19 cases after easing the lockdown restrictions nationwide. World Health Organisation, or WHO, officials had expressed hope that COVID-19 may be entering an endemic phase by early 2023, but the continued uncertainties associated with the COVID-19 pandemic worldwide may cause an adverse impact on the global economy and the rate environment for our vessels may deteriorate and our operations and cash flows may be negatively impacted.

COVID-19 and measures to contain its spread negatively impacted regional and global economies and trade patterns in markets in which we operate, the way we operate our business, and the businesses of our charterers and suppliers. Restrictions imposed by various governmental health organizations relating to COVID-19 may change over time. Several countries have lifted restrictions only to reimpose such restrictions as the number of cases rise and new variants emerge. Negative impact could occur, even after the pandemic itself diminishes or ends.

Measures against COVID-19 in a number of countries restricted crew rotations on our vessels. As a result, vessel operators experienced and may experience in the future disruptions to normal vessel operations caused by increased deviation time associated with positioning vessels to countries in which they can undertake a crew rotation in compliance with such measures. Our crews generally work on a rotation basis, relying exclusively on international air transport for crew changes plan fulfillment. Any such disruptions could impact the cost of rotating our crew further, and possibly impact our ability to maintain a full crew synthesis onboard our vessels and other vessels we may acquire at any given time. Delays in crew rotations have furthermore led to issues with crew fatigue and may continue to do so, which may result in delays or other operational issues. Additionally, we are particularly vulnerable to our crew members getting sick, as if even one of our crew members gets sick, local authorities could require us to detain and quarantine our vessels and their crew for an unspecified amount of time, disinfect and fumigate our vessels and cargo onboard, or take similar precautions, which would add costs, decrease our utilization, and substantially disrupt our cargo operations. We may incur increased expenses due to incremental fuel consumption and days in which our vessels and other vessels we may acquire are unable to earn revenue in order to deviate to certain ports on which we would ordinarily not call during a typical voyage. We may also incur additional expenses associated with testing, personal protective equipment, quarantines, and travel expenses such as airfare costs in order to perform crew rotations in the current environment.

The occurrence of any of the foregoing events or other epidemics or an increase in the severity or duration of COVID-19 or other epidemics could have a material adverse effect on our business, results of operations, cash flows, financial condition, value of our vessels, and ability to pay dividends.

We are currently dependent on index-linked charters, while in the past a part of our fleet was employed on a spot voyage basis. Any decrease in spot freight charter rates or indexes in the future may adversely affect our earnings.

We currently have all 16 of our vessels employed on time charters whose daily rates are linked to the Baltic Capesize Index, or BCI. Although none of our vessels are currently operating in the spot market on a voyage basis, we may employ any additional vessels we may acquire on a spot voyage basis, or on index-linked or fixed rate time charters.

Although the number of vessels in our fleet that are employed on spot voyages or have index-linked or fixed rate charters will vary from time to time, we anticipate that a significant portion of our fleet will be affected by the spot freight market or the BCI. As a result, our financial performance will be significantly affected by conditions in the dry bulk spot freight market or the BCI and only our vessels that would operate under fixed-rate time charters would, during the period in which such vessels operate under such time charters, provide a fixed source of revenue to us.

Historically, spot charter rates and dry bulk charter indexes have been volatile as a result of the many conditions and factors that can affect the price, supply of and demand for dry bulk capacity. The successful operation of our vessels in the competitive spot charter market depends upon, among other things, fixing profitable spot voyages and minimizing, to the extent possible, time spent waiting for charters and time spent traveling unladen to pick up cargo. The spot market is very volatile, and, in the past, there have been periods when spot rates have declined below the operating cost of vessels. If future spot charter rates or the BCI decline, then we may be unable to operate our vessels trading in the spot market or on BCI-linked charters profitably or to meet our other obligations, including payments on indebtedness. Furthermore, as charter rates for spot charters are usually fixed for a single voyage, which may last up to several weeks, during periods in which spot charter rates are rising, we will generally experience delays in realizing the benefits from such increases.

Additionally, when our vessels are chartered under a fixed rate time charter, if spot freight rates or short-term time charter rates fall significantly below the time charter equivalent rates that some of our charterers are obligated to pay us under the agreed time charter, the charterers may have an incentive to default on, or attempt to renegotiate the charter. If our charterers fail to pay their obligations, we would have to attempt to re-charter our vessels at lower charter rates, which would affect our ability to comply with our loan covenants and operate our vessel profitably. If we are not able to comply with our loan covenants and our lenders choose to accelerate our indebtedness and foreclose their liens, we could be required to sell vessels in our fleet and our ability to continue to conduct our business would be impaired.

An over-supply of dry bulk vessel capacity may depress the current charter rates and vessel values and, in turn, adversely affect our profitability.

The market supply of dry bulk vessels had increased due to the high level of new deliveries in recent years. Dry bulk newbuildings were delivered in significant numbers starting at the beginning of 2006 and continued to be delivered in significant numbers through 2017. In addition, the dry bulk newbuilding orderbook, extending up to 2024, was approximately 7% of the existing world dry bulk fleet as of the beginning of March 2023, according to Clarksons Research, and the orderbook may increase further in proportion to the existing fleet. Even though the overall level of the orderbook has declined over the past years, an over-supply of dry bulk vessel capacity could depress the current charter rates. Factors that influence the supply of vessel capacity include:

- number of new vessels' deliveries;
- scrapping rate of older vessels;
- vessel casualties;
- price of steel;
- number of vessels that are out of service;
- vessels' average speed;
- changes in environmental and other regulations that may limit the useful life of vessels; and
- port or canal congestion.

If dry bulk vessel capacity increases but the demand for vessel capacity does not increase or increases at a slower rate, charter rates could materially decline, which could have a material adverse effect on our business, financial condition, results of operations and cash flows.

If economic conditions throughout the world decline, it will negatively impact our results of operations, financial condition and cash flows, and could cause the market price of our common shares to decline.

The world economy is facing a number of actual and potential challenges, including the war between Ukraine and Russia, current trade tension between the United States and China, political instability in the Middle East and the South China Sea region and other geographic countries and areas, terrorist or other attacks, war (or threatened war) or international hostilities, such as those between the United States and North Korea or Iran, and epidemics or pandemics, such as COVID-19. For example, due in part to fears associated with the spread of COVID-19 (as more fully described above), global financial markets experienced significant volatility which may continue as the pandemic evolves or a new COVID-19 variant emerges. The recent lockdowns in certain cities in China resulted in delays, temporary closures of shipyards, decrease in industrial production and further continuation or expansion of these lockdowns may cause disruptions in the global economy. In addition, the continuing war in Ukraine led to increased economic uncertainty amidst fears of a more generalized military conflict or significant inflationary pressures, due to the increases in fuel and grain prices following the sanctions imposed on Russia. Whether the present dislocation in the markets and resultant inflationary pressures will transition to a long-term inflationary environment is uncertain, and the effects of such a development on charter rates, vessel demand and operating expenses in the sector in which we operate are uncertain. Additionally, the monetary tightening implemented by a series of Central banks around the world in order to curb inflationary pressures has also significantly increased the probability of an economic recession in the short to medium term future. If such conditions are sustained, the longer-term net impact on the dry bulk market and our business would be difficult to predict with any degree of accuracy. Such events may have unpredictable consequences, and contribute to instability in the global economy or cause a decrease in worldwide demand for certain goods and, thus, shipping. We cannot predict how long current market conditions will last.

In Europe, concerns regarding the possibility of sovereign debt defaults by European Union member countries, including Greece, although generally alleviated, have in the past disrupted financial markets throughout the world, and may lead to weaker consumer demand in the European Unions, the U.S. and other parts of the world. The withdrawal of the UK from the European Union, or Brexit, further increases the risk of additional trade protectionism. Brexit, or similar events in other jurisdictions, could continue to impact global markets, including foreign exchange and securities markets; any resulting changes in currency exchange rates, tariffs, treaties and other regulatory matters could in turn adversely impact our business, cash flows and operations.

In addition, the recent economic slowdown in the Asia Pacific region, particularly in China, may exacerbate the effect of the weak economic trends in the rest of the world. Before the global economic financial crisis that began in 2008, China had one of the world's fastest growing economies in terms of gross domestic product, or GDP, which had a significant impact on shipping demand. China's GDP growth rate for the year ended December 31, 2022, was approximately 3.0%, one of its lowest rates in 50 years, thought to be mainly caused by the country's zero-COVID policy and strict lockdowns, which was a marked decline from 8.4% growth recorded for the year ended December 31, 2021. It is possible that China and other countries in the Asia Pacific region will continue to experience volatile, slowed or even negative economic growth in the near future. Changes in the economic conditions of China, and changes in laws or policies adopted by its government or the implementation of these laws and policies by local authorities, including with regards to tax matters and environmental concerns (such as achieving carbon neutrality), could affect our vessels that are either chartered to Chinese customers or that call to Chinese ports, our vessels that undergo dry docking at Chinese shipyards and the financial institutions with whom we have entered into financing agreements, and could have a material adverse effect on our business, results of operations and financial condition.

Furthermore, governments may turn to trade barriers to protect their domestic industries against foreign imports, thereby depressing shipping demand. In particular, as indicated, the United States has sought to implement more protective trade measures. There is significant uncertainty about the future relationship between the United States, China, and other exporting countries, including with respect to trade policies, treaties, government regulations, and tariffs. Protectionist developments, or the perception that they may occur, may have a material adverse effect on global economic conditions, and may significantly reduce global trade. Moreover, increasing trade protectionism may cause an increase in (i) the cost of goods exported from regions globally, particularly from the Asia-Pacific region, (ii) the length of time required to transport goods and (iii) the risks associated with exporting goods. Such increases may further reduce the quantity of goods to be shipped, shipping time schedules, voyage costs and other associated costs, which could have an adverse impact on our charterers' business, operating results and financial condition and could thereby affect their ability to make timely charter hire payments to us and to renew and increase the number of their time charters with us. This could have a material adverse effect on our business, results of operations, financial condition and cash flows.

We face risks attendant to the trends in the global economy, such as changes in interest rates, instability in the banking and securities markets around the world, the risk of sovereign defaults, reduced levels of growth, and trade protectionism, among other factors. Major market disruptions and the current adverse changes in market conditions and regulatory climate worldwide may adversely affect our business or impair our ability to borrow under our loan agreements or any future financial arrangements. We cannot predict how long the current market conditions will last. However, these recent and developing economic and governmental factors, together with depressed charter rates and vessel values, may have a material adverse effect on our results of operations, financial condition or cash flows and the trading price of our common shares. In the absence of available financing, we may also be unable to complete vessel acquisitions, take advantage of business opportunities or respond to competitive pressures.

Terrorist attacks and international hostilities could affect our business, results of operations, cash flows and financial condition.

The continuing war between Russia and Ukraine, developments in the Middle East, including tensions between the U.S. and Iran, as well as other geographic countries and areas, terrorist or other attacks, and war (or threatened war) or international hostilities, such as the ones currently in progress between China and Taiwan, or the U.S. and North Korea, have recently and may in the future lead to armed conflict or acts of terrorism around the world, which may contribute to further economic instability in the global financial markets and international commerce.

The war between Russia and Ukraine may lead to further regional and international conflicts or armed action at an international level. This war has disrupted supply chains and has caused instability in the energy markets and the global economy, with effects on shipping freight rates, which have experienced volatility. The United States and the European Union, among other countries, have announced unprecedented economic sanctions against Russia. The ongoing war could result in the imposition of further economic sanctions by the United States and the European Union or other countries against Russia, trade tariffs or embargoes with uncertain impacts on the markets in which we operate. In addition, the U.S. and certain other North Atlantic Treaty Organization (NATO) countries have been supplying Ukraine with military aid. U.S. officials have also warned of the increased possibility of Russian cyberattacks, which could disrupt the operations of businesses involved in the drybulk industry, including ours. While much uncertainty remains regarding the global impact of the war in Ukraine, it is possible that such tensions could adversely affect our business, financial condition, results of operation and cash flows. While Ukraine and Russia reached an agreement to extend an arrangement allowing shipment of grain from Ukrainian ports through a humanitarian corridor in the Black Sea in November 2022, the agreement may not be renewed. Since we employ Ukrainian and Russian seafarers, we may face problems in relation to their employment, repatriation, salary payments and be subject to claims to this respect. Moreover, we will be subject to additional insurance premiums in case we transit through or call to any port or area designated as listed areas by the Joint War Committee or other organizations. Furthermore, it is possible that third parties with whom we have charter contracts may be impacted by events in Russia and Ukraine, which could adversely affect our operations.

These uncertainties could also adversely affect our ability to obtain additional financing on terms acceptable to us or at all. In the past, political conflicts have also resulted in attacks on vessels, mining of waterways and other efforts to disrupt international shipping, particularly in the Arabian Gulf region. The ongoing war in Ukraine has resulted in missile attacks on commercial vessels in the Black Sea. Acts of terrorism and piracy have also affected vessels trading in regions such as the South China Sea, the Gulf of Aden off the coast of Somalia, and in particular, the Gulf of Guinea region off Nigeria, which experienced increased incidents of piracy in recent years. Any of these occurrences could have a material adverse impact on our future performance, operating results, cash flows, financial position and our ability to pay cash distributions to our shareholders.

Risks associated with operating ocean-going vessels could affect our business and reputation, which could adversely affect our revenues and expenses.

The operation of an ocean-going vessel carries inherent risks. These risks include the possibility of:

- crew strikes and/or boycotts;
- acts of God;
- the damage or destruction of vessels due to marine disaster;
- piracy or other detentions;

- environmental accidents;
- cargo and property losses or damage; and
- business interruptions caused by mechanical failure, human error, war, terrorism, political action in various countries, labor strikes or adverse weather conditions.

Any of these circumstances or events could increase our costs or lower our revenues. Such circumstances could result in death or injury to persons, loss of property or environmental damage, delays in the delivery of cargo, loss of revenues from or termination of charter contracts, governmental fines, penalties or restrictions on conducting business, litigation with our employees, customers or third parties, higher insurance rates, and damage to our reputation and customer relationships generally. Although we maintain hull and machinery and war risks insurance, as well as protection and indemnity insurance, which may cover certain risks of loss resulting from such occurrences, our insurance coverage may be subject to deductibles, caps or not cover such losses and any of these circumstances or events could increase our costs or lower our revenues. The involvement of our vessels in an environmental disaster may harm our reputation as a safe and reliable vessel owner and operator. Any of these results could have a material adverse effect on business, results of operations and financial condition, as well as our cash flows.

Rising fuel prices may adversely affect our profits.

The cost of fuel is a significant factor in negotiating voyage freight rates. As a result, an increase in the price of fuel may adversely affect our profitability if freight rates fail to rise to the extent required to cover a rise in the cost of fuel. The price and supply of fuel is unpredictable and fluctuates based on events outside our control, including geopolitical developments, supply and demand for oil and gas, actions by members of the Organization of the Petroleum Exporting Countries and other oil and gas producers, war and unrest in oil producing countries and regions, regional production patterns and environmental concerns and regulations. Furthermore, fuel has and may become much more expensive in the future, including as a result of the ongoing war in Ukraine and the sanctions against Russia, the imposition of sulfur oxide emissions limits in January 2020 and reductions of carbon emissions from January 2023 under new regulations adopted by the International Maritime Organization, or the IMO, which may reduce the profitability and competitiveness of our business versus other forms of transportation, such as truck or rail.

Upon redelivery of any vessels at the end of a period time charter or a voyage charter, we may be obligated to repurchase bunkers on board at prevailing market prices, or purchase bunkers to refuel the vessel in case of a voyage charter, which could be materially higher than fuel prices at the inception of the charter period. However, given the current time charter agreements of our vessels and our chartering strategy, this cost is projected to be immaterial in the short to medium term. If in the future we decide to operate vessels on a voyage basis, then fuel would be the largest, expense that we would incur with respect to vessels operating on voyage charter. Voyage charter contracts generally provide that the vessel owner bears the cost of fuel in the form of bunkers, which is a material operating expense. We currently cannot guarantee that we will hedge our fuel costs on any prospective future voyage charters, and, therefore, an increase in the price of fuel may affect in a negative way our profitability and our cash flows.

Inflation could adversely affect our operating results and financial condition.

Inflation could have an adverse impact on our operating results and subsequently on our financial condition both directly through the increase of costs crew and materials necessary for the operation of our vessels and indirectly through its adverse impact on the world economy in terms of increasing interest rates and slowdown of global growth. During 2022, we experienced increase operating costs for crew, spares and lubricants that negatively affected our operating results. If inflationary pressures intensify further, we may be unable to raise our charter rates enough to offset the increasing costs of our operations, which would decrease our profit margins. Inflation may also raise our costs of capital, which would result in the deterioration of our financial condition.

Our revenues are subject to seasonal fluctuations, which could affect our operating results and ability to service our debt or pay dividends.

We operate our vessels in markets that have historically exhibited seasonal variations in demand and, as a result, in charter hire rates. This seasonality may result in quarter-to-quarter volatility in our operating results. The dry bulk shipping market is typically stronger in the fall and winter months in anticipation of increased consumption of coal and other raw materials in the northern hemisphere during the winter months. In addition, unpredictable weather patterns in these months tend to disrupt vessel schedules and supplies of certain commodities. As a result, our revenues may be weaker during the fiscal quarters ending March 31 and June 30, and, conversely, our revenues may be stronger in fiscal quarters ending September 30 and December 31. This seasonality should not affect our operating results if our vessels are employed on fixed rate period time charters, but because our vessels or the vessels we may acquire may be employed in the spot market or on index-linked or fixed rate charters, seasonality may materially affect our operating results and our ability to pay dividends in the future.

Climate change and greenhouse gas restrictions may be imposed.

Due to concern over the risk of climate change, a number of countries and the IMO, have adopted, or are considering the adoption of, regulatory frameworks to reduce greenhouse gas emissions. These regulatory measures may include, among others, the adoption of cap and trade regimes, carbon taxes, increased efficiency standards and incentives or mandates for renewable energy. For instance, the IMO imposed a global 0.5% sulfur cap on marine fuels, down from the previous cap of 3.5%, which came into force on January 1, 2020. In addition, the IMO adopted an initial strategy which identifies “levels of ambition” toward reducing greenhouse gas emissions, including (1) decreasing the carbon intensity from ships; (2) reducing carbon dioxide emissions per transport work, as an average across international shipping, by at least 40% by 2030, pursuing efforts towards 70% by 2050, compared to 2008 emission levels; and (3) reducing the total annual greenhouse emissions by at least 50% by 2050 compared to 2008 while pursuing efforts towards phasing them out entirely. These regulations and any additional regulations addressing similar goals could cause us to incur additional substantial expenses. See “Business Overview—Environmental and Other Regulations” for a discussion of these and other environmental regulations applicable to our operations.

Since January 1, 2020, ships have to either remove sulfur from emissions or buy fuel with low sulfur content, which may lead to increased costs and supplementary investments for ship owners. The interpretation of “fuel oil used on board” includes use in main engine, auxiliary engines, and boilers. Shipowners may comply with this regulation by (i) using 0.5% sulfur fuels on board, which are available around the world but at higher costs; (ii) installing scrubbers for cleaning of the exhaust gas; or (iii) by retrofitting vessels to be powered by liquified natural gas, which may not be a viable option due to the lack of supply network and high costs involved in this process. Currently nine of our vessels have scrubbers installed, thus costs of compliance with these regulatory changes for our non-scrubber vessels or any non-scrubber vessels we may acquire may be significant and may have a material adverse effect on our future performance, results of operations, cash flows, and financial position.

In addition, although the emissions of greenhouse gases from international shipping currently are not subject to the Kyoto Protocol to the United Nations Framework Convention on Climate Change (this task was delegated under the Kyoto Protocol to the IMO for action), which required adopting countries to implement national programs to reduce emissions of certain gases, a new treaty may be adopted in the future that includes restrictions on shipping emissions. Compliance with changes in laws, regulations and obligations relating to climate change could increase our costs related to operating and maintaining our vessels and require us to install new emission controls, acquire allowances or pay taxes related to our greenhouse gas emissions, or administer and manage a greenhouse gas emissions program. Revenue generation and strategic growth opportunities may also be adversely affected.

Adverse consequences of climate change, including growing public concern about the environmental impact of climate change, may also adversely affect demand for our services. For example, increased regulation of greenhouse gases or other concerns relating to climate change may reduce the demand for coal in the future, one of the primary cargoes carried by our vessels. In addition, the physical effects of climate change, including changes in weather patterns, extreme weather events, rising sea levels, and scarcity of water resources, may negatively impact our operations. Any long-term economic consequences of climate change could have a significant financial and operational adverse impact on our business that we cannot predict with certainty at this time.

Pending and future tax law changes may result in significant additional taxes to us.

Pending and future tax law changes may result in significant additional taxes to us. For example, the Organization for Economic Cooperation and Development published a “Programme of Work,” which was divided into two pillars. Pillar One focused on the allocation of group profits among taxing jurisdictions based on a market-based concept rather than the historical “permanent establishment” concept. Pillar Two, among other things, introduced a global minimum tax. The foregoing proposals (in the event international consensus is achieved and implementing laws are adopted) and other possible future tax changes may have an adverse impact on us. Any requirement or legislation that requires us to pay more tax could have a material adverse effect on our business, results of operations, cash flows and financial condition, and our ability to pay dividends.

Increased scrutiny of environmental, social and governance matters may impact our business and reputation.

In addition to the importance of their financial performance, companies are increasingly being judged by their performance on a variety of environmental, social and governance matters, or ESG, which are considered to contribute to the long-term sustainability of companies' performance.

A variety of organizations measure the performance of companies on such ESG topics, and the results of these assessments are widely publicized. In addition, investment in funds that specialize in companies that perform well in such assessments are increasingly popular, and major institutional investors have publicly emphasized the importance of such ESG measures to their investment decisions. Topics taken into account in such assessments include, among others, the company's efforts and impacts on climate change and human rights, ethics and compliance with law, and the role of the company's board of directors in supervising various sustainability issues.

We actively manage a broad range of such ESG matters, taking into consideration their expected impact on the sustainability of our business over time, and the potential impact of our business on society and the environment. As far as the environmental aspect is concerned, since 2018 we have commenced implementing technical and operational measures aiming to improve the energy efficiency of our vessels and in extension reduce the CO2 emissions of the fleet. During 2022 the attained EEXI for all our vessels have been calculated in accordance with regulation 23 of MARPOL Annex VI and the 2021 Guidelines on the method of calculation of the attained Energy Efficiency Existing Ship Index (EEXI) (resolution MEPC.333(76)) (EEXI Calculation Guidelines). All EEXI technical files containing the necessary information have been prepared in cooperation with the vessels' recognized organizations, pending the on-board survey application. In addition, we have completed various biofuel trials in cooperation with leading charterers and operators. Scrubber and ballast water treatment system installations, Existing Vessel Design Index, or EVDI, upgrades, and Energy Saving Device and electronic performance monitoring system installations constitute examples of the environmental practices we have adopted and aim to continue adopting on most of our vessels. We participate in various environmental initiatives in our industry and technical committees on ESG matters and have also secured and entered into one sustainability-linked financing for two of our vessels. However, in light of investors' increased focus on ESG matters, there can be no certainty that we will manage such issues successfully, or that we will successfully meet society's expectations as to our proper role. Any failure or perceived failure by us in this regard could have a material adverse effect on our reputation and on our business, share price, financial condition, or results of operations, including the sustainability of our business over time.

Moreover, from time to time, we may incur additional costs, establish and publicly announce goals and commitments in respect of certain ESG items. While we may create and publish voluntary disclosures regarding ESG matters from time to time, many of the statements in those voluntary disclosures are based on hypothetical expectations and assumptions that may or may not be representative of current or actual risks or events or forecasts of expected risks or events, including the costs associated therewith. Such expectations and assumptions are necessarily uncertain and may be prone to error or subject to misinterpretation given the long timelines involved and the lack of an established single approach to identifying, measuring and reporting on many ESG matters. If we fail to achieve or improperly report on our progress toward achieving our environmental goals and commitments, the resulting scrutiny from market participants or regulators could adversely affect our reputation and/or our access to capital.

Our vessels may call on ports located in or may operate in countries that are subject to restrictions or sanctions imposed by the United States, the European Union or other governments that could result in fines or other penalties imposed on us and may adversely affect our reputation and the market price of our common shares.

During the year ended December 31, 2022, none of our vessels called on ports located in countries subject at that time to comprehensive sanctions and embargoes imposed by the U.S. government or countries identified by the U.S. government or other authorities as state sponsors of terrorism; however, our vessels may call on ports in these countries from time to time in the future on our charterers' instructions subject to any applicable insurance arrangements and prior approvals, if required. The U.S. sanctions and embargo laws and regulations vary in their application, as they do not all apply to the same covered persons or proscribe the same activities, and such sanctions and embargo laws and regulations may be amended or strengthened over time.

We believe that we are currently in compliance with all applicable sanctions and embargo laws and regulations. In order to maintain compliance, we monitor and review the movement of our vessels on a daily basis.

We endeavor to provide that all or most of our future charters include provisions and trade exclusion clauses prohibiting the vessels from calling on ports where there is an existing U.S. embargo. Furthermore, as of the date hereof, neither the Company nor its subsidiaries have entered into or have any plans to enter into, directly or indirectly, any contracts, agreements or other arrangements with the governments of Iran, Syria, North Korea, Cuba or any entities controlled by the governments of these countries.

Due to the nature of our business and the evolving nature of the foregoing sanctions and embargo laws and regulations, there can be no assurance that we will be in compliance at all times in the future, particularly as the scope of certain laws may be unclear and may be subject to changing interpretations. Any such violation could result in fines, penalties or other sanctions that could severely impact our ability to access U.S. capital markets and conduct our business, and could result in some investors deciding, or being required, to divest their interest, or refrain from investing, in us. In addition, certain institutional investors may have investment policies or restrictions that prevent them from holding securities of companies that have contracts with countries identified by the U.S. government as state sponsors of terrorism. The determination by these investors not to invest in, or to divest from, our common shares may adversely affect the price at which our common shares trade. Moreover, our charterers may violate applicable sanctions and embargo laws and regulations as a result of actions that do not involve us or our vessels, and those violations could in turn negatively affect our reputation. In addition, our reputation and the market for our securities may be adversely affected if we engage in certain other activities, such as entering into charters with individuals or entities in countries subject to U.S. sanctions and embargo laws that are not controlled by the governments of those countries, or engaging in operations associated with those countries pursuant to contracts with third parties that are unrelated to those countries or entities controlled by their governments.

Sulfur regulations to reduce air pollution from ships may require retrofitting of vessels and may cause us to incur significant costs.

Since January 1, 2020, IMO regulations have required vessels to comply with a global cap on the sulfur in fuel oil used on board of 0.5%, down from the previous cap of 3.5%. The interpretation of “fuel oil used on board” includes use in main engine, auxiliary engines and boilers. Compliance with this regulation is achieved by (i) using 0.5% sulfur fuels on board, which are available at a higher cost; (ii) installing “scrubbers” for cleaning of the exhaust gas; or (iii) retrofitting vessels to be powered by liquefied natural gas (LNG), which may not yet be an economically viable option due to the lack of supply network and high costs involved in this process. Nine of our vessels currently have scrubbers installed, while the remaining seven vessels in our fleet comply by burning low sulfur fuel (0.5% or 0.1%). We have further developed ship specific implementation plans for safeguarding the smooth transition with the usage of compliant fuels for such vessels that will not be equipped with scrubbers. Costs of ongoing compliance may have a material adverse effect on our future performance, results of operations, cash flows and financial position. See Item 4. “Information on the Company—B. Business Overview—Environmental and Other Regulations—The International Maritime Organization.”

We are subject to regulation and liability under environmental laws that could require significant expenditures and affect our cash flows and net income.

Our business and the operation of our vessels are materially affected by government regulation in the form of international conventions, national, state and local laws and regulations in force in the jurisdictions in which the vessels operate, as well as in the country or countries of their registration, including those governing oil spills, discharges to air and water, ballast water management, and the handling and disposal of hazardous substances and wastes. These requirements include, but are not limited to, EU regulations, the U.S. Oil Pollution Act of 1990, or OPA, the U.S. Comprehensive Environmental Response, Compensation and Liability Act of 1980, or CERCLA, the U.S. Clean Air Act, including its amendments of 1977 and 1990, or the CAA, the U.S. Clean Water Act, or the CWA, the U.S. Maritime Transportation Security Act of 2002, or the MTSA, and regulations of the IMO, including, but not limited to, the International Convention on Civil Liability for Oil Pollution Damage of 1969, as from time to time amended and generally referred to as CLC, the IMO International Convention for the Prevention of Pollution from Ships of 1973, as from time to time amended and generally referred to as MARPOL, including the designation of emission control areas, or ECAs, thereunder, the IMO International Convention for the Safety of Life at Sea of 1974, as from time to time amended and generally referred to as SOLAS, the IMO International Convention on Load Lines of 1966, as from time to time amended and generally referred to as the LL Convention, the International Convention on Civil Liability for Bunker Oil Pollution Damage, generally referred to as the Bunker Convention, the IMO's International Management Code for the Safe Operation of Ships and for Pollution Prevention, generally referred to as the ISM Code, the International Convention for the Control and Management of Ships' Ballast Water and Sediments, generally referred to as the BWM Convention, and the International Ship and Port Facility Security Code, or ISPS.

We may also incur additional costs in order to comply with other existing and future regulatory obligations, including, but not limited to, costs relating to the 0.5% sulfur cap on marine fuels, air emissions including greenhouse gases, the management of ballast water, maintenance and inspection, development and implementation of emergency procedures and insurance coverage or other financial assurance of our ability to address pollution incidents. These costs could have a material adverse effect on our business, results of operations, cash flows and financial condition and our available cash. Because such conventions, laws and regulations are often revised, we cannot predict the ultimate cost of complying with such conventions, laws and regulations or the impact thereof on the resale price or useful life of vessels we may acquire in the future. Additional conventions, laws and regulations may be adopted which could limit our ability to do business or increase the cost of our doing business and which may materially adversely affect our operations.

Regulations relating to ballast water discharge may adversely affect our revenues and profitability.

The IMO has imposed updated guidelines for ballast water management systems specifying the maximum amount of viable organisms allowed to be discharged from a vessel's ballast water. Depending on the date of the IOPP renewal survey, existing vessels constructed before September 8, 2017 must comply with the updated D-2 standard. For most vessels, compliance with the D-2 standard will involve installing on-board systems to treat ballast water and eliminate unwanted organisms. Ships constructed on or after September 8, 2017 are to comply with the D-2 standards. Vessels are required to meet the discharge standard D-2 by installing an approved Ballast Water Management System (or BWMS). Pursuant to the BWM Convention amendments that entered into force in October 2019, BWMSs installed on or after October 28, 2020 shall be approved in accordance with BWMS Code, while BWMSs installed before October 23, 2020 must be approved taking into account guidelines developed by the IMO or the BWMS Code. Ships sailing in U.S. waters are required to employ a type-approved BWMS which is compliant with USCG regulations. Amendments to the BWM Convention entered into force in June 2022 concerning commissioning testing of BWMS and the form of the International Ballast Water Management Certificate. We have installed ballast water treatment systems in all our vessels which comply with the updated guidelines. Nevertheless, we might incur compliance costs for any vessels we might acquire in the future, which might have a substantial effect on our profitability. Additionally, many countries already regulate the discharge of ballast water carried by vessels from country to country to prevent the introduction of invasive and harmful species via such discharges. The U.S., for example, requires vessels entering its waters from another country to conduct mid-ocean ballast exchange, or undertake some alternate measure, and to comply with certain reporting requirements. Amendments to the BWM Convention concerning commissioning testing of BWMS and the form of the International Ballast Water Management Certificate became effective in June 2022.

Furthermore, United States regulations are currently changing. Although the 2013 Vessel General Permit, or VGP, program and U.S. National Invasive Species Act, or NISA, are currently in effect to regulate ballast discharge, exchange and installation, the Vessel Incidental Discharge Act, or VIDA, which was signed into law on December 4, 2018, requires that the U.S. Coast Guard develop implementation, compliance, and enforcement regulations regarding ballast water. It intends to replace the VGP scheme and streamline the patchwork of federal, state, and local requirements for the commercial vessel community. The US Environmental Protection Agency, or EPA, has indicated that new federal discharge standards for vessels may be published in autumn 2024. In the meantime, the agency has seemingly strengthened its inspection and enforcement efforts to ensure compliance with the extended VGP scheme and warns that non-compliance can result in significant penalties. The VIDA gave the EPA two years to develop new national discharge standards for vessels and the U.S./Coast Guard another two years to develop regulations and best management practices to implement and enforce those standards. VIDA also specifies that the provisions of the VGP will continue to apply until EPA and the U.S. Coast Guard publish their final regulations, regardless of how long that takes, and that the permit cannot be modified during that time. On October 26, 2020, the EPA published a Notice of Proposed Rulemaking for Vessel Incidental Discharge National Standards of Performance under VIDA, and in November 2020, held virtual public meetings, but a final rule has not been promulgated. The new regulations could require the installation of new equipment, which may cause us to incur substantial costs. Under VIDA, all provisions of the 2013 VGP and USCG ballast water regulations remain in force and effect as currently written until the EPA publishes standards and the corresponding Coast Guard regulations are published. The EPA will regulate these ballast water discharges and other discharges incidental to the normal operation of certain vessels within United States waters pursuant to VIDA. Several U.S. states have added specific requirements to the Vessel General Permit including submission of a Notice of Intent, or NOI, or retention of a PARI form and submission of annual reports. Although EPA did issue a notice of proposed rulemaking in October 2020, a final rule on new discharge standards has still not been promulgated – which also means that a complete replacement scheme for the VGP is still some time away. A recent announcement on the EPA indicates that a final rule on the discharge standards may be ready in the autumn of 2024. Thus, if the U.S. Coast Guard spends the full two years to finalise the corresponding enforcement standards, the current 2013 VGP scheme will remain in force until 2026. This rule changes may have financial impact on our vessels and may result in vessels being banded from calling in US in case compliance issues arise.

Increased inspection procedures, tighter import and export controls and new security regulations could increase costs and disrupt our business.

International shipping is subject to security and customs inspection and related procedures in countries of origin, destination and trans-shipment points. Since the events of September 11, 2001, there have been a variety of initiatives intended to enhance vessel security, such as the MTSA. These security procedures can result in delays in the loading, discharging or trans-shipment and the levying of customs duties, fines or other penalties against exporters or importers and, in some cases, vessels. Future changes to the existing security procedures may be implemented that could affect the dry bulk sector. These changes have the potential to impose additional financial and legal obligations on vessels and, in certain cases, to render the shipment of certain types of goods uneconomical or impractical. These additional costs could reduce the volume of goods shipped, resulting in a decreased demand for vessels and have a negative impact on our business, revenues and customer relations.

Acts of piracy on ocean-going vessels have increased in frequency, which could adversely affect our business.

Acts of piracy have historically affected ocean-going vessels trading in regions of the world such as the South China Sea, Strait of Malacca, Arabian Sea, Red Sea, Gulf of Aden off the coast of Somalia, Indian Ocean and Gulf of Guinea. Sea piracy incidents continue to occur, particularly in the South China Sea, the Indian Ocean, in the Gulf of Guinea and the Strait of Malacca, with dry bulk vessels particularly vulnerable to such attacks. Although the frequency of sea piracy worldwide has generally decreased since 2013, sea piracy incidents continue to occur. Acts of piracy could result in harm or danger to the crews that man our vessels. Additionally, if piracy attacks result in regions in which our vessels are deployed being characterized as “war risk” zones by insurers or if our vessels are deployed in Joint War Committee “war and strikes” listed areas, premiums payable for insurance coverage could increase significantly and such insurance coverage may be more difficult to obtain. In addition, crew and security equipment costs, including costs which may be incurred to employ onboard security armed guards, could increase in such circumstances. Furthermore, while we believe the charterer remains liable for charter payments when a vessel is seized by pirates, the charterer may dispute this and withhold charter hire until the vessel is released. A charterer may also claim that a vessel seized by pirates was not “on-hire” for a certain number of days and is therefore entitled to cancel the charterparty, a claim that we would dispute. We may not be adequately insured to cover losses from these incidents, which could have a material adverse effect on us. In addition, any detention hijacking as a result of an act of piracy against our vessels, or an increase in cost, or unavailability, of insurance for our vessels could have a material adverse impact on our business, financial condition and results of operations.

The operation of dry bulk vessels has particular operational risks.

The operation of dry bulk vessels has certain unique risks. With a dry bulk vessel, the cargo itself and its interaction with the vessel can be an operational risk. By their nature, dry bulk cargoes are often heavy, dense, easily shifted, and react badly to water exposure. In addition, dry bulk vessels are often subjected to battering treatment during discharging operations with grabs, jackhammers (to pry encrusted cargoes out of the hold) and small bulldozers. This treatment may cause damage to the vessel. Vessels damaged due to treatment during discharging procedures may affect a vessel’s seaworthiness while at sea. Hull fractures in dry bulk vessels may lead to the flooding of the vessels’ holds. If a dry bulk vessel suffers flooding in its forward holds, the bulk cargo may become so dense and waterlogged that its pressure may buckle the vessel’s bulkheads, leading to the loss of a vessel. If we are unable to adequately maintain our vessels, we may be unable to prevent these events. Any of these circumstances or events could negatively impact our business, financial condition, and results of operations.

If any of our vessels fails to maintain its class certification or fails any annual survey, intermediate survey, or special survey, or if any scheduled class survey takes longer or is more expensive than anticipated, this could have a material adverse impact on our financial condition and results of operations.

The hull and machinery of every commercial vessel must be certified by a classification society authorized by its country of registry. The classification society certifies that a vessel is safe and seaworthy in accordance with the applicable rules and regulations of the country of registry of the vessel and the SOLAS.

A vessel must undergo annual, intermediate and special surveys. The vessel's machinery may be on a continuous survey cycle, under which the machinery would be surveyed periodically over a five-year period. At the beginning, in between and in the end of this cycle, every vessel is required to undergo inspection of her underwater parts that usually includes dry-docking. These surveys and dry-dockings can be costly and can result in delays in returning a vessel to operation.

If any vessel does not maintain its class, the vessel will not be allowed to carry cargo between ports and cannot be employed or insured. Any such inability to carry cargo or be employed, or any related violation of the covenants under our loans or other financing agreements, could have a material adverse impact on our financial condition and results of operations.

Because seafaring employees we employ are covered by industry-wide collective bargaining agreements, failure of industry groups to renew those agreements may disrupt our operations and adversely affect our earnings.

We employ a large number of seafarers. All the seafarers employed on the vessels in our fleet are covered by industry-wide collective bargaining agreements that set minimum standards in wages and labor conditions. We cannot assure you that these agreements will be renewed as necessary or will prevent labor interruptions. Any labor interruptions could disrupt our operations and harm our financial performance.

Maritime claimants could arrest or attach one or more of our vessels, which could interrupt our cash flows.

Crew members, suppliers of goods and services to a vessel, shippers of cargo and other parties may be entitled to a maritime lien against a vessel for unsatisfied debts, claims or damages. In many jurisdictions, a maritime lien holder may enforce its lien by arresting a vessel through foreclosure proceedings. The arrest or attachment of one or more of our vessels could interrupt our cash flow and require us to pay large sums of funds to have the arrest lifted, which would have a material adverse effect on our financial condition and results of operations.

In addition, in some jurisdictions, such as South Africa, under the "sister ship" theory of liability, a claimant may arrest both the vessel which is subject to the claimant's maritime lien and any "associated" vessel, which is any vessel owned or controlled by the same owner. Claimants could try to assert "sister ship" liability against one of our vessels for claims relating to another of our vessels.

Governments could requisition our vessels during a period of war or emergency, which could negatively impact our business, financial condition, results of operations, and available cash.

A government could requisition for title or hire one or more of our vessels. Requisition for title occurs when a government takes control of a vessel and becomes the owner. Also, a government could requisition a vessel for hire. Requisition for hire occurs when a government takes control of a vessel and effectively becomes the charterer at dictated charter rates. Generally, requisitions occur during a period of war or emergency. Government requisition of one or more of our vessels could have a material adverse effect on our financial condition and results of operations.

Risks Relating to Our Company

The market values of our vessels may decrease, which could limit the amount of funds that we can borrow or trigger breaches of certain financial covenants under our current or future loan agreements and other financing agreements, and we may incur an impairment or, if we sell vessels following a decline in their market value, a loss.

The fair market values of our vessels are related to prevailing freight charter rates. While the fair market value of vessels and the freight charter market have a very close relationship as the charter market moves from trough to peak, the time lag between the effect of charter rates on market values of ships can vary. A decrease in the market value of our vessels could require us to raise additional capital in order to remain compliant with our loan covenants or the covenants in the other financing agreements and could result in the loss of our vessels (including, through foreclosure by our lenders and lessors) and adversely affect our earnings and financial condition.

The market value of dry bulk vessels, and Capesize dry bulk carriers in particular, has historically exhibited great volatility. From 2010 until today, Capesize yard resale prices have fluctuated from \$35 million in February 2016 to \$74 million in April 2010. The fair market value of our vessels is dependent on other factors as well, including:

- general economic and market conditions affecting the shipping industry, including changes in global dry cargo commodity supply;
- prevailing levels of charter rates;
- competition from other shipping companies;
- sophistication and condition of the vessels;
- advances in efficiency, such as introduction of autonomous vessels;
- where the vessel was built and as-built specifications;
- lifetime maintenance record;
- supply and demand for vessels;
- types, sizes, and age of vessels;
- number of newbuilding deliveries;
- number of vessels scrapped or otherwise removed from the world fleet;
- changes in environmental and other regulations that may limit the useful life of vessels;
- decreased costs and increases in use of other modes of transportation;
- cost of newbuildings or secondhand vessel acquisitions;
- whether the vessel is equipped with scrubbers;
- global economic or pandemic-related crises;
- governmental and other regulations, including environmental regulations;
- ability of buyers to access financing and capital;
- technological advances; and
- the cost of retrofitting or modifying existing ships to respond to technological advances in vessel design or equipment, changes in applicable environmental or other regulations or standards, or otherwise.

In addition, as vessels grow older, they generally decline in value. If the fair market value of our vessels declines, we may not be in compliance with certain covenants in our loan agreements and other financing agreements, and our lenders or lessors could accelerate our indebtedness or require us to pay down our indebtedness to a level where we are again in compliance with the covenants under our loans and other financing agreements. If any of our current or future loans and other financing agreements are accelerated, we may not be able to refinance our debt or obtain additional funding. We expect that we will enter into more loan agreements and other financing agreements in connection with our vessels or with future acquisitions of vessels. For more information regarding our current loan facilities and other financing agreements, please see “Item 5. Operating and Financial Review and Prospects – B. Liquidity and Capital Resources – Loan Arrangements – Credit Facilities.”

In addition, if vessel values decline, we may have to record an impairment adjustment in our financial statements, which could adversely affect our financial results. Furthermore, if we sell one or more of our vessels at a time when vessel prices have fallen, the sale price may be less than the vessel’s carrying value on our consolidated financial statements, resulting in a loss on sale or an impairment loss being recognized, leading to a reduction in earnings.

We may enter into newbuilding projects which are subject to risks that could cause delays.

We may enter into newbuilding contracts in connection with our vessel acquisition strategy. Newbuilding construction projects are subject to risks of delay inherent in any large construction project from numerous factors, including shortages of equipment, materials or skilled labor, unscheduled delays in the delivery of ordered materials and equipment or shipyard construction, failure of equipment to meet quality and/or performance standards, financial or operating difficulties experienced by equipment vendors or the shipyard, unanticipated actual or purported change orders, inability to obtain required permits or approvals, design or engineering changes and work stoppages and other labor disputes, adverse weather conditions or any other events of force majeure. A shipyard’s failure to deliver a vessel on time may result in the delay of revenue from the vessel. Any such failure or delay could have a material adverse effect on our operating results.

We may be unable to obtain financing for any vessels we may acquire.

We can offer no assurance that we will be able to obtain the necessary financing for the acquisition of any vessels we may acquire on attractive terms or at all. If financing is not available when needed, or is available only on unfavorable terms, we may be unable to meet our purchase price payment obligations and complete the acquisition of such vessels and expand the size of our fleet. If we fail to fulfill our commitments thereunder, due to an inability to obtain financing or otherwise, we may also be liable for damages for breach of contract. Our failure to obtain the funds for these capital expenditures could have a material adverse effect on our business, results of operations, financial conditions, and cash flows.

We may acquire additional vessels in the future, and if those vessels are not delivered on time or are delivered with significant defects, our earnings and financial condition could suffer.

We have recently expanded our fleet significantly and may acquire additional vessels in the future. A delay in the delivery of any vessels to us, the failure of the contract counterparty to deliver a vessel at all, or us not taking delivery of a vessel could cause us to breach our obligations under a related time charter or could otherwise adversely affect our financial condition and results of operations. In addition, the delivery of any vessel with substantial defects could have similar consequences.

Substantial debt levels could limit our flexibility to obtain additional financing and pursue other business opportunities.

As of December 31, 2022, we had \$248.7 million of outstanding debt excluding deferred finance costs and debt discounts and the convertible note issued to a former principal shareholder of the Company, Jelco Delta Holding Corp., or JDH. Moreover, we anticipate that we will incur future indebtedness in connection with the acquisition of additional vessels, although there can be no assurance that we will be successful in identifying further vessels or securing such debt financing. Significant levels of debt could have important consequences to us, including the following:

- our ability to obtain additional financing, if necessary, for working capital, capital expenditures, acquisitions or other purposes may be impaired, or such financing may be unavailable on favorable terms, or at all;
- we may need to use a substantial portion of our cash from operations to make principal and interest payments on our bank debt and financing liabilities, reducing the funds that would otherwise be available for operations, future business opportunities and any future dividends to our shareholders;
- our debt level could make us more vulnerable to competitive pressures or a downturn in our business or the economy generally than our competitors with less debt; and
- our debt level may limit our flexibility in responding to changing business and economic conditions.

Our ability to service our indebtedness will depend upon, among other things, our future financial and operating performance, which will be affected by prevailing economic conditions and financial, business, regulatory and other factors, some of which are beyond our control, as well as the interest rates applicable to our outstanding indebtedness. If our operating income is not sufficient to service our indebtedness, we will be forced to take actions, such as reducing or delaying our business activities, acquisitions, investments or capital expenditures, selling assets, restructuring or refinancing our debt or seeking additional equity capital. We may not be able to effect any of these remedies on satisfactory terms, or at all. In addition, a lack of liquidity in the debt and equity markets could hinder our ability to refinance our debt or obtain additional financing on favorable terms in the future. For more information regarding our current loan arrangements, please see “Item 5. Operating and Financial Review and Prospects – B. Liquidity and Capital Resources – Loan Arrangements.”

Our loan agreements and other financing arrangements contain, and we expect that other future loan agreements and financing arrangements will contain, restrictive covenants that may limit our liquidity and corporate activities, which could limit our operational flexibility and have an adverse effect on our financial condition and results of operations. In addition, because of the presence of cross-default provisions in our loan agreements and financing arrangements, a default by us under one loan or financing agreement could lead to defaults under multiple loans and financing agreements.

Our loan agreements and other financial arrangements contain, and we expect that other future loan agreements and financing arrangements will contain, customary covenants and event of default clauses, financial covenants, restrictive covenants and performance requirements, which may affect operational and financial flexibility. Such restrictions could affect, and in many respects limit or prohibit, among other things, our ability to pay dividends, incur additional indebtedness, create liens, sell assets, or engage in mergers or acquisitions. These restrictions could limit our ability to plan for or react to market conditions or meet extraordinary capital needs or otherwise restrict corporate activities. There can be no assurance that such restrictions will not adversely affect our ability to finance our future operations or capital needs.

As a result of these restrictions, we may need to seek permission from our lenders and other financing counterparties in order to engage in some corporate actions. Our lenders' and other financing counterparties' interests may be different from ours and we may not be able to obtain their permission when needed. This may prevent us from taking actions that we believe are in our best interests, which may adversely impact our revenues, results of operations and financial condition.

A failure by us to meet our payment and other obligations, including our financial covenants and any security coverage requirements, could lead to defaults under our financing arrangements. Likewise, a decrease in vessel values or adverse market conditions could cause us to breach our financial covenants or security requirements (the market values of dry bulk vessels have generally experienced high volatility). In the event of a default that we cannot remedy, our lenders and other financing counterparties could then accelerate their indebtedness and foreclose on the respective vessels in our fleet. The loss of any of our vessels could have a material adverse effect on our business, results of operations and financial condition.

Because of the presence of cross-default provisions in our loan agreements and financing agreements, a default by us under a loan or financing agreement and the refusal of any lender or financing counterparty to grant or extend a waiver could result in the acceleration of our indebtedness under our other loans and financing agreements. A cross-default provision means that if we default on one loan, we would then default on our other loans containing a cross-default provision.

In the recent past, we have obtained waivers, deferrals and amendments of certain financial covenants, payment obligations and events of default under our loan facilities with our lenders. However, there can be no assurance that we will obtain similar waivers and deferrals from our lenders in the future, if needed, as we have obtained in the past.

For more information regarding our current loan facilities, see please see “Item 5. Operating and Financial Review and Prospects – B. Liquidity and Capital Resources – Loan Arrangements.”

We depend on officers and directors who are associated with United Maritime Corporation, of the Republic of the Marshall Islands (“United”), which may create conflicts of interest.

Our officers and directors have fiduciary duties to manage our business in a manner beneficial to us and our shareholders. However, Stamatios Tsantanis, who serves as our Chairman and Chief Executive Officer, is also the Chairman and Chief Executive Officer of United. In addition, Stavros Gyftakis, who serves as our Chief Financial Officer, is the Chief Financial Officer and a director of United. Christina Anagnostara and Ioannis Kartsonas, who serve as independent directors for us, also serve as independent directors of United. These officers and directors have fiduciary duties and responsibilities to manage the business of United in a manner beneficial to it and its shareholders and may have conflicts of interest in matters involving or affecting us and our customers or shareholders, or when faced with decisions that could have different implications for United than they do for us. The resolution of these potential conflicts may not always be in our best interest or that of our shareholders and could have a material adverse effect on our business, results of operations, cash flows, and financial condition.

If we fail to manage our planned growth properly, we may not be able to successfully expand our market share.

Our fleet currently consists of 16 Capesize vessels, and we may acquire additional vessels in the future. Our ability to manage our growth will primarily depend on our ability to:

- generate excess cash flow so that we can invest without jeopardizing our ability to cover current and foreseeable working capital needs, including debt service;
- finance our operations;
- locate and acquire suitable vessels;
- identify and consummate acquisitions or joint ventures;
- integrate any acquired businesses or vessels successfully with our existing operations;
- hire, train and retain qualified personnel and crew to manage and operate our growing business and fleet; and
- expand our customer base.

Growing any business by acquisitions presents numerous risks such as obtaining acquisition financing on acceptable terms or at all, undisclosed liabilities and obligations, difficulty in obtaining additional qualified personnel, managing relationships with customers and suppliers and integrating newly acquired operations into existing infrastructures. We may not be successful in executing our growth plans and we may incur significant additional expenses and losses in connection therewith.

Purchasing and operating secondhand vessels, such as our current fleet, may result in increased operating costs and vessel off-hire, which could adversely affect our financial condition and results of operations.

All 16 of the vessels in our fleet are secondhand vessels. Our inspection of these or other secondhand vessels prior to purchase does not provide us with the same knowledge about their condition and the cost of any required or anticipated repairs that we would have had if these vessels had been built for and operated exclusively by us. We have not received in the past, and do not expect to receive in the future, the benefit of warranties on any secondhand vessels we acquire.

As the vessels in our fleet or other secondhand vessels we may acquire age, they may become less fuel efficient and costlier to maintain and will not be as advanced as recently constructed vessels due to improvements in design, technology and engineering, including improvements required to comply with government regulations. Rates for cargo insurance, paid by charterers, also increase with the age of a vessel, making older vessels less desirable to charterers.

In addition, charterers actively discriminate against hiring older vessels. Rightship, the ship vetting service founded by Rio Tinto and BHP-Billiton, has become a major vetting service in the dry bulk shipping industry, which ranks the suitability of vessels based on a scale of one to five stars. There are carriers that may not charter a vessel that Rightship has vetted with fewer than three stars. Therefore, a potentially deteriorated star rating for our vessels may affect their commercial operation and profitability and vessels in our fleet with lower ratings may experience challenges in securing charters. Effective as of January 1, 2018, Rightship's age trigger for a dry cargo inspection for vessels over 8,000 dwt changed from 18 years to 14 years, after which an annual acceptable Rightship inspection will be required. Rightship may downgrade any vessel over 18 years of age that has not completed a satisfactory inspection by Rightship, in the same manner as any other vessel over 14 years of age, to two stars, which significantly decreases its chances of entering into a charter. Nine, five and two vessels in our fleet have five, four and three-star risk ratings from Rightship, respectively.

Governmental regulations, safety or other equipment standards related to the age or condition of vessels may require expenditures for alterations, or the addition of new equipment, to our vessels and may restrict the type of activities in which the vessels may engage. As our vessels age, market conditions may not justify those expenditures or enable us to operate our vessels profitably during the remainder of their useful lives.

In addition, unless we maintain cash reserves for vessel replacement, we may be unable to replace the vessels in our fleet upon the expiration of their useful lives. We estimate the useful life of our vessels to be 25 years from the date of initial delivery from the shipyard. Our cash flows and income are dependent on the revenues we earn by chartering our vessels to customers. If we are unable to replace the vessels in our fleet upon the expiration of their useful lives, our business, financial condition and results of operations will be materially adversely affected. Any reserves set aside for vessel replacement would not be available for other cash needs or dividends.

Volatility of LIBOR and potential changes of the use of LIBOR as a benchmark could affect our profitability, earnings, and cash flow.

The London Interbank Offered Rate ("LIBOR") is the subject of recent national, international, and other regulatory guidance and proposals for reform. These reforms and other pressures may cause LIBOR to be eliminated or to perform differently than in the past. The consequences of these developments cannot be entirely predicted but could include an increase in the cost of any of our future variable rate indebtedness and obligations. LIBOR has been volatile in the past, with the spread between LIBOR and the prime lending rate widening significantly at times. Currently five of our debt facilities have interest rates that fluctuate with changes in LIBOR and hence significant changes in LIBOR could have a material effect on the amount of interest payable on any future indebtedness, which in turn, could have an adverse effect on our financial condition.

Furthermore, the calculation of interest in most financing agreements in our industry has been based on published LIBOR rates. Due in part to uncertainty relating to the LIBOR calculation process in recent years, it is likely that the publication of LIBOR will be phased out in mid-2023. As a result, lenders have insisted, and our lenders could in the future insist, on provisions that entitle the lenders, to replace published LIBOR as the base for the interest calculation with another equivalent rate negotiated between the parties and/or their cost-of-funds rate. The triggering of such provisions could significantly increase our lending costs, which would have an adverse effect on our profitability, earning, and cash flow. The Alternative Reference Rate Committee, a committee convened by the Federal Reserve that includes major market participants, has proposed the Secured Overnight Financing Rate, or SOFR, an alternative rate to replace U.S. Dollar LIBOR. The impact of such a transition from LIBOR to SOFR could be significant for us.

In order to manage any future exposure to interest rate fluctuations, we may from time to time use interest rate derivatives to effectively fix any floating rate debt obligations. No assurance can, however, be given that the use of these derivative instruments, if any, may effectively protect us from adverse interest rate movements. The use of interest rate derivatives may affect our results through mark to market valuation of these derivatives. Also, adverse movements in interest rate derivatives may require us to post cash as collateral, which may impact our free cash position. Interest rate derivatives may also be impacted by the transition from LIBOR to SOFR or other alternative rates.

The failure of our current or future counterparties to meet their obligations under our charter agreements could cause us to suffer losses or otherwise adversely affect our business.

The ability and willingness of each of our current or future counterparties to perform its obligations under charter agreements with us will depend on a number of factors that are beyond our control and may include, among other things, general economic conditions, the condition of the dry bulk shipping industry and the industries in which our counterparties operate and the overall financial condition of the counterparties. From time to time, those counterparties may account for a significant amount of our chartering activity and revenues. In addition, in challenging market conditions, there have been reports of charterers renegotiating their charters or defaulting on their obligations under charter agreements, and so our customers may fail to pay charter hire or attempt to renegotiate charter rates. Should a counterparty fail to honor its obligations under agreements with us, it may be difficult to secure substitute employment for such vessel, and any new charter arrangements we secure in the spot market or on time charters could be at lower rates. If our charterers fail to meet their obligations to us or attempt to renegotiate our charter agreements, we could suffer significant losses, which could have a material adverse effect on our business, financial condition, results of operations and cash flows.

Rising crew costs may adversely affect our profits.

Crew costs are expected to be a significant expense for us. Recently, the limited supply of and increased demand for highly skilled and qualified crew, due to the increase in the size of the global shipping fleet, has created upward pressure on crewing costs. Increases in crew costs may adversely affect our profitability if we are not able to increase our rates.

We may not be able to attract and retain key management personnel and other employees in the shipping industry, which may negatively affect the effectiveness of our management and our results of operations.

Our success will depend to a significant extent upon the abilities and efforts of our management team, including our ability to retain key members of our management team and the ability of our management to recruit and hire suitable employees. The loss of any of these individuals could adversely affect our business prospects and financial condition. Difficulty in hiring and retaining personnel could adversely affect our results of operations.

Our vessels may suffer damage, and we may face unexpected repair costs, which could adversely affect our cash flow and financial condition.

If our vessels suffer damage, they may need to be repaired at a shipyard facility. The costs of repairs are unpredictable and can be substantial. The loss of earnings while our vessels are being repaired and repositioned, as well as the actual cost of these repairs, would decrease our earnings and reduce the amount of any dividends in the future. We may not have insurance that is sufficient to cover all or any of these costs or losses and may have to pay repair costs not covered by our insurance.

We are exposed to U.S. dollar and foreign currency fluctuations and devaluations that could harm our reported revenue and results of operations.

We generate all of our revenues and incur the majority of our operating expenses in U.S. dollars, but we currently incur many of our general and administration expenses in currencies other than the U.S. dollar, primarily the euro. Because such portion of our expenses is incurred in currencies other than the U.S. dollar, our expenses may from time to time increase relative to our revenues as a result of fluctuations in exchange rates, particularly between the U.S. dollar and the euro, which could affect the amount of net income that we report in future periods. We may use financial derivatives to operationally hedge some of our currency exposure. Our use of financial derivatives involves certain risks, including the risk that losses on a hedged position could exceed the nominal amount invested in the instrument and the risk that the counterparty to the derivative transaction may be unable or unwilling to satisfy its contractual obligations, which could have an adverse effect on our results.

We maintain cash with a limited number of financial institutions including financial institutions that may be located in Greece, which will subject us to credit risk.

We maintain all of our cash with a limited number of financial institutions, including institutions that are located in Greece. These financial institutions located in Greece may be subsidiaries of international banks or Greek financial institutions. Although concerns relating to the sovereign debt crisis have largely been allayed and Greece has emerged from its bailout programs, the stand-alone financial strength of the banks and the anticipated additional pressures stemming from the legacy of the country's multi-year debt crisis and the COVID-19 pandemic continue to create uncertain economic prospects.

Additionally, only a small portion of cash balances are covered by insurance in the event of default by these financial institutions in Greece or elsewhere. Several banks, including banks in the United States and Switzerland, have recently been subject to extraordinary resolution procedures or sale because of the risk of such a default. Furthermore, in the event any of our banks do not allow us to withdraw funds in the time and amounts that we want, we may not timely comply with contractual provisions in any of our contracts or our salary obligations, among other things. The occurrence of such a default of any of our banks could have a material adverse effect on our business, financial condition, results of operations and cash flows, and we may lose part or all of our cash that we deposit with such banks.

We are a holding company and we depend on the ability of our subsidiaries to distribute funds to us in order to satisfy financial obligations or to pay dividends.

We are a holding company and our subsidiaries, which are all wholly owned by us either directly or indirectly, conduct all of our operations and own all of our operating assets. We have no significant assets other than the equity interests in our wholly owned subsidiaries. As a result, our ability to make dividend payments depends on our subsidiaries and their ability to distribute funds to us. The ability of a subsidiary to make these distributions could be affected by the covenants in our loan agreements, a claim or other action by a third party, including a creditor, and the laws of Bermuda, the British Virgin Islands, Liberia, Malta and the Republic of the Marshall Islands, where our vessel-owning or other subsidiaries are incorporated, which regulate the payment of dividends by companies. If we are unable to obtain funds from our subsidiaries, we may not be able to satisfy our financial obligations.

In the highly competitive international shipping industry, we may not be able to compete for charters with new entrants or established companies with greater resources, which may adversely affect our results of operations.

We employ our vessels in a highly competitive market that is capital intensive and highly fragmented. Competition arises primarily from other vessel owners, some of whom may have substantially greater resources than we do. Competition for the transportation of dry bulk cargoes by sea is intense and depends on price, location, size, age, condition and the acceptability of the vessel and its operators to the charterers. Due in part to the highly fragmented market, competitors with greater resources could enter the dry bulk shipping industry and operate larger fleets through consolidations or acquisitions and may be able to offer lower charter rates and higher quality vessels than we are able to offer. Although we believe that no single competitor has a dominant position in the markets in which we compete, we are aware that certain competitors may be able to devote greater financial and other resources to their activities than we can, resulting in a significant competitive threat to us. We cannot give assurances that we will continue to compete successfully with our competitors or that these factors will not erode our competitive position in the future.

Due to our lack of fleet diversification, adverse developments in the maritime dry bulk shipping industry would adversely affect our business, financial condition, and operating results.

Our business currently depends on the transportation of dry bulk commodities, and our fleet consists exclusively of Capesize vessels. Our current lack of diversification could make us vulnerable to adverse developments in the maritime dry bulk shipping industry and demand for Capesize vessels in particular, which would have a significantly greater impact on our business, financial condition and operating results than it would if we maintained more diverse assets or lines of business.

We may be subject to litigation that, if not resolved in our favor and not sufficiently insured against, could have a material adverse effect on us.

We may be, from time to time, involved in various litigation matters. These matters may include, among other things, contract disputes, personal injury claims, environmental claims or proceedings, asbestos and other toxic tort claims, employment matters, governmental claims for taxes or duties, and other litigation that arises in the ordinary course of our business. Although we intend to defend these matters vigorously, we cannot predict with certainty the outcome or effect of any claim or other litigation matter, and the ultimate outcome of any litigation or the potential costs to resolve them may have a material adverse effect on us. Insurance may not be applicable or sufficient in all cases or insurers may not remain solvent, which may have a material adverse effect on our financial condition.

The shipping industry has inherent operational risks that may not be adequately covered by our insurances. Further, because we obtain some of our insurances through protection and indemnity associations, we have been and may in the future be retrospectively subject to calls or premiums in amounts based not only on our own claim records, but also on the claim records of all other members of the protection and indemnity associations.

We procure insurance for our fleet against risks commonly insured against by vessel owners and operators. Our current insurances include hull and machinery insurance, war risks insurance, demurrage and defense insurance and protection and indemnity insurance (which includes environmental damage and pollution insurance). We do not expect to maintain for our vessels insurance against loss of hire, which covers business interruptions that result from the loss of use of a vessel, except in cases when our vessels transit through or call at high risk areas. We may not be adequately insured against all risks or our insurers may not pay a particular claim. Even if our insurance coverage is adequate to cover our losses, we may not be able to timely obtain a replacement vessel in the event of a loss. Furthermore, in the future, we may not be able to obtain adequate insurance coverage at reasonable rates for our fleet. Our insurance policies also contain deductibles, limitations and exclusions which, although we believe are standard in the shipping industry, may nevertheless increase our costs. If our insurances are not enough to cover claims that may arise, the deficiency may have a material adverse effect on our financial condition and results of operations. We have been and may in the future be retrospectively subject to calls, or premiums, in amounts based not only on our own claim records but also the claim records of all other members of the protection and indemnity associations through which we receive indemnity insurance coverage for tort liability, including pollution-related liability. In the past, we paid approximately \$0.3 million in response to these calls, and our payment of such calls could in the future result in significant expenses to us.

Failure to comply with the U.S. Foreign Corrupt Practices Act of 1977, or FCPA, could result in fines, criminal penalties, and an adverse effect on our business.

We operate throughout the world, including countries with a reputation for corruption. We are committed to doing business in accordance with applicable anti-corruption laws and have adopted a code of business conduct and ethics which is consistent and in full compliance with the FCPA. We are subject, however, to the risk that we, our affiliated entities or our or their respective officers, directors, employees and agents may take action determined to be in violation of such anti-corruption laws, including the FCPA. Any such violation could result in substantial fines, sanctions, civil and/or criminal penalties, curtailment of operations in certain jurisdictions, and might adversely affect our business, results of operations or financial condition. In addition, actual or alleged violations could damage our reputation and ability to do business. Furthermore, detecting, investigating, and resolving actual or alleged violations is expensive and can consume significant time and attention of our senior management.

We depend on third-party technical and commercial managers for crewing and certain aspects of technical and commercial management of some of our ships. Our operations could be negatively affected if third-party managers fail to perform their services satisfactorily.

Seanergy Shipmanagement Corp., or Seanergy Shipmanagement, our wholly owned ship management subsidiary, provides certain technical management services to the majority of the vessels in our fleet, namely the MVs *Dukeship, Fellowship, Friendship, Knightship, Lordship, Worldship, Hellaship, Partnership, Flagship, Patriotship, Honorship, Premiership, Geniuship, Squireship* and *Paroship* and it is expected to undertake the technical management of the remaining vessels of our fleet in the future. Seanergy Management Corp., or Seanergy Management, our wholly owned subsidiary, provides us with certain other management services. Moreover, we also depend on third-party technical, crew and commercial managers. V.Ships Greece provide us with certain technical, general administrative and support services (including vessel maintenance, crewing, purchasing, shipyard supervision, assistance with regulatory compliance, accounting related to vessels and provisions) for the *Championship* and the *Friendship*. V.Ships provide crew management services to the MVs *Fellowship, Lordship, Knightship, Premiership, Geniuship* and *Squireship*. Anglo-Eastern Crew Management (Asia) Limited, or Anglo-Eastern, provide crew management services to the *Worldship* and *Dukeship*, while Global Seaways S.A., or Global Seaways, provide crew management services to the *Hellaship, Partnership, Flagship, Patriotship, Honorship* and *Paroship*. Fidelity provides us with commercial management services for our vessels.

Our operational success depends upon V.Ships', V.Ships Greece's, Global Seaways', Anglo-Eastern's and Fidelity's satisfactory performance of these services. Our business would be harmed if V.Ships, V.Ships Greece, Global Seaways', Anglo-Eastern or Fidelity failed to perform these services satisfactorily. In addition, if our management agreements with any of V.Ships, V. Ships Greece or Fidelity were to be terminated or if their terms were to be altered, our business could be adversely affected, as we may not be able to immediately replace such services, and even if replacement services were immediately available, the terms offered could be less favorable than those under our existing management agreements.

In addition, our ability to compete for and enter into new period time and spot charters and to expand our relationships with our existing charterers depends significantly on our relationship with our third-party commercial manager, Fidelity. If Fidelity fails to perform its obligations, it may harm our ability to renew existing charters upon their expiration, obtain new charters, and maintain satisfactory relationships with our charterers and suppliers.

The failure of our third-party managers to perform their obligations satisfactorily could have a material adverse effect on our business, financial condition and results of operations. Because our third-party managers are each privately held companies, we and our shareholders might have little advance warning of financial or other problems affecting them even though their financial or other problems could have a material adverse effect on us. Although we may have rights against our third-party managers if they default on their obligations to us, our shareholders will share that recourse only indirectly to the extent that we recover funds.

Management fees will be payable to our managers regardless of our profitability, which could have a material adverse effect on our business, financial condition and results of operations.

Pursuant to our technical and crew management agreements we pay management fees to our managers as described in "Item 4.B. History and Development – Business Overview – Management of our fleet" in exchange for provision of technical, support and administrative services. The management fees do not cover expenses such as voyage expenses, vessel operating expenses, maintenance expenses and crewing costs, for which we reimburse the technical manager. The management fees are payable whether or not our vessels are employed and regardless of our profitability, and we have no ability to require our managers to reduce the management fees if our profitability decreases, which could have a material adverse effect on our business, financial condition and results of operations.

We may be classified as a passive foreign investment company, which could result in adverse U.S. federal income tax consequences to U.S. holders of our common stock.

A foreign corporation will be treated as a “passive foreign investment company,” or PFIC, for U.S. federal income tax purposes if either (1) at least 75% of its gross income for any taxable year consists of certain types of “passive income” or (2) at least 50% of the average value of the corporation’s assets produce or are held for the production of those types of “passive income.” For purposes of these tests, “passive income” includes dividends, interest, gains from the sale or exchange of investment property, and rents and royalties other than rents and royalties which are received from unrelated parties in connection with the active conduct of a trade or business. For purposes of these tests, income derived from the performance of services does not constitute “passive income.” U.S. shareholders of a PFIC are subject to a disadvantageous U.S. federal income tax regime with respect to the income derived by the PFIC, the distributions they receive from the PFIC and the gain, if any, they derive from the sale or other disposition of their shares in the PFIC.

Based upon our current and anticipated method of operations, we do not believe that we should be a PFIC with respect to our 2022 taxable year, and we do not expect to become a PFIC in 2023 or any future taxable year. In this regard, we intend to treat our gross income from time charters as active services income, rather than rental income. Accordingly, our income from our time chartering activities should not constitute “passive income,” and the assets that we own and operate in connection with the production of that income should not constitute passive assets. There is substantial legal authority supporting this position including case law and U.S. Internal Revenue Service, or IRS, pronouncements concerning the characterization of income derived from time charters and voyage charters as services income for other tax purposes. However, it should be noted that there is also authority which characterizes time charter income as rental income rather than services income for other tax purposes. Accordingly, no assurance can be given that the IRS or a court of law will accept this position, and there is a risk that the IRS or a court of law could determine that we are a PFIC. Moreover, no assurance can be given that we would not constitute a PFIC for any future taxable year if the nature and extent of our operations change.

If the IRS were to find that we are or have been a PFIC for any taxable year, our U.S. shareholders would face adverse U.S. federal income tax consequences and certain information reporting requirements. Under the PFIC rules, unless those shareholders make an election available under the United States Internal Revenue Code of 1986 as amended, or the Code (which election could itself have adverse consequences for such shareholders), such shareholders would be liable to pay U.S. federal income tax at the then prevailing income tax rates on ordinary income plus interest upon excess distributions and upon any gain from the disposition of their shares of our common stock, as if the excess distribution or gain had been recognized ratably over the shareholder’s holding period of the shares of our common stock. Similar consequences would apply to holders of our warrants. See “Item 10.E. Tax Considerations – United States Federal Income Tax Consequences – United States Federal Income Taxation of U.S. Holders – Passive Foreign Investment Company Rules” for a more comprehensive discussion of the U.S. federal income tax consequences to U.S. shareholders if we are treated as a PFIC.

We may have to pay tax on U.S. source income, which would reduce our earnings.

Under the Code, 50% of the gross shipping income of a vessel-owning or chartering corporation, such as us and our subsidiaries, that is attributable to transportation that begins or ends, but that does not both begin and end, in the United States, exclusive of certain U.S. territories and possessions, or “U.S. source gross shipping income” may be subject to a 4% U.S. federal income tax without allowance for deduction, unless that corporation qualifies for exemption from tax under Section 883 of the Code and the applicable Treasury Regulations promulgated thereunder.

We believe that we qualify for exemption from the 4% tax under Section 883 of the Code for our 2022 taxable year. However, there are factual circumstances beyond our control that could cause us not to have the benefit of the tax exemption under Section 883 in 2023 or future years and thereby cause us to become subject to U.S. federal income tax on our U.S. source shipping income. For example, there is a risk that we could fail to qualify for exemption under Section 883 of the Code for a particular taxable year if “non-qualified” shareholders with a five percent or greater interest in our stock were, in combination with each other, to own 50% or more of the outstanding shares of our stock on more than half the days during the taxable year. See the description of the ownership tests which must be satisfied to qualify for exemption under Section 883 of the Code in “Item 10.E. Tax Considerations – United States Federal Income Tax Consequences – Exemption of Operating Income from United States Federal Income Taxation.”

Because the availability of the exemption depends on factual circumstances beyond our control, we can give no assurances on the tax-exempt status of ourselves or that of any of our subsidiaries for our 2023 or subsequent taxable years. If we or our subsidiaries are not entitled to exemption under Section 883, we or our subsidiaries will be subject to the 4% U.S. federal income tax on 50% of any shipping income such companies derive that is attributable to the transport of cargoes to or from the United States. This tax is a cost, which, if unreimbursed, has a negative effect on our business and results in decreased earnings available for distribution to our shareholders.

We may be subject to tax in the jurisdictions in which we or our vessel-owning subsidiaries are incorporated or operate.

In addition to the tax consequences discussed herein, we may be subject to tax in one or more other jurisdictions where we or our vessel-owning subsidiaries are incorporated or conduct activities. We are subject to a corporate flat tax for our subsidiaries in Malta for the period from January 1, 2022 to December 31, 2022 and could be subject to additional taxation in the future in Malta or other jurisdictions where our subsidiaries are incorporated or do business. The amount of any such tax imposed upon our operations or on our subsidiaries’ operations may be material and could have an adverse effect on our earnings.

We are a “foreign private issuer,” which could make our common stock less attractive to some investors or otherwise harm our stock price.

We are a “foreign private issuer,” as such term is defined in Rule 405 under the Securities Act. As a “foreign private issuer” the rules governing the information that we disclose differ from those governing U.S. corporations pursuant to the Exchange Act. We are not required to file quarterly reports on Form 10-Q or provide current reports on Form 8-K disclosing significant events within four days of their occurrence. In addition, our officers and directors are exempt from the reporting and “short-swing” profit recovery provisions of Section 16 of the Exchange Act and related rules with respect to their purchase and sales of our securities. Our exemption from the rules of Section 16 of the Exchange Act regarding sales of common stock by insiders means that you will have less data in this regard than shareholders of U.S. companies that are subject to the Exchange Act. Moreover, we are exempt from the proxy rules, and proxy statements that we distribute will not be subject to review by the Commission. Accordingly, there may be less publicly available information concerning us than there is for other U.S. public companies that are not foreign private issuers. These factors could make our common stock less attractive to some investors or otherwise harm our stock price.

Our corporate governance practices are in compliance with, and are not prohibited by, the laws of the Republic of the Marshall Islands, and as such we are entitled to exemption from certain Nasdaq corporate governance standards. As a result, you may not have the same protections afforded to stockholders of companies that are subject to all of the Nasdaq corporate governance requirements.

Our Company’s corporate governance practices are in compliance with, and are not prohibited by, the laws of the Republic of the Marshall Islands. Therefore, we are exempt from many of Nasdaq’s corporate governance practices other than the requirements regarding the disclosure of a going concern audit option, submission of a listing agreement, notification of material non-compliance with Nasdaq corporate governance practices, and the establishment and composition of an audit committee and a formal written audit committee charter. For a list of the practices followed by us in lieu of Nasdaq’s corporate governance rules, we refer you to “Item 16G, Corporate Governance” in this annual report.

We conduct business in China, where the legal system is not fully developed and has inherent uncertainties that could limit the legal protections available to us.

Our vessels may be chartered to Chinese customers and from time to time on our charterers' instructions, our vessels and other vessels we may acquire may call on Chinese ports. Such charters and voyages may be subject to regulations in China that may require us to incur new or additional compliance or other administrative costs and may require that we pay to the Chinese government new taxes or other fees. Applicable laws and regulations in China may not be well publicized and may not be known to us or our charterers in advance of us or our charterers becoming subject to them, and the implementation of such laws and regulations may be inconsistent. Changes in Chinese laws and regulations, including with regards to tax matters, or changes in their implementation by local authorities, could affect our vessels and other vessels we may acquire if chartered to Chinese customers as well as our vessels and other vessels we may acquire calling to Chinese ports and could have a material adverse impact on our business, financial conditions and results of operations.

Changing laws and evolving reporting requirements could have an adverse effect on our business.

Changing laws, regulations and standards relating to reporting requirements, including the European Union General Data Protection Regulation, or GDPR, may create additional compliance requirements for us. To maintain high standards of corporate governance and public disclosure, we have invested in, and continue to invest in, reasonably necessary resources to comply with evolving standards.

GDPR broadens the scope of personal privacy laws to protect the rights of European Union citizens and requires organizations to report on data breaches within 72 hours and be bound by more stringent rules for obtaining the consent of individuals on how their data can be used. Non-compliance with GDPR may expose entities to significant fines or other regulatory claims which could have an adverse effect on our business, and results of operations.

A cyber-attack could materially disrupt our business.

We rely on information technology systems and networks in our operations and administration of our business. Our business operations could be targeted by individuals or groups seeking to sabotage or disrupt our information technology systems and networks, or to steal data. Despite our cybersecurity measures, a successful cyber-attack could materially disrupt our operations, including the safety of our operations, or lead to unauthorized release of information or alteration of information in our systems. Any such attack or other breach of or significant interruption or failure of our information technology systems could have a material adverse effect on our business and results of operations. In addition, the unavailability of the information systems or the failure of these systems to perform as anticipated for any reason could disrupt our business and could result in decreased performance and increased operating costs, causing our business and results of operations to suffer.

Additionally, recent action by the IMO's Maritime Safety Committee and United States agencies indicates that cybersecurity regulations for the maritime industry are likely to be further developed in the near future in an attempt to combat cybersecurity threats. Any changes in the nature of cyber threats might require us to adopt additional procedures for monitoring cybersecurity, which could require additional expenses and/or capital expenditures. The war between Russia and Ukraine has been accompanied by cyber-attacks against the Ukrainian government and other countries in the region. It is possible that these attacks could have collateral effects on additional critical infrastructure and financial institutions globally, which could adversely affect our operations. It is difficult to assess the likelihood of such threat and any potential impact at this time.

The smuggling of drugs or other contraband onto our vessels may lead to governmental claims against us.

Our vessels may call in ports in South America and other areas where smugglers attempt to hide drugs and other contraband on vessels, with or without the knowledge of crew members. Under some jurisdictions, vessels used for the conveyance of illegal drugs could subject such vessels to forfeiture to the government of these jurisdictions. To the extent our vessels are found with contraband, whether inside or attached to the hull of our vessels and whether with or without the knowledge of any member of our crew, we may face reputational damage and governmental or other regulatory claims or penalties which could have an adverse effect on our business, results of operations, cash flows and financial condition, as well as our ability to maintain cash flows, including cash available for distributions to pay dividends to our unitholders.

The international nature of our operations may make the outcome of any potential bankruptcy proceedings difficult to predict.

The Marshall Islands has passed an act implementing the U.N. Commission on International Trade Law (UNCITRAL) Model Law on Cross-Border Insolvency, or the Model Law. The adoption of the Model Law is intended to implement effective mechanisms for dealing with issues related to cross-border insolvency proceedings and encourages cooperation and coordination between jurisdictions. Notably, the Model Law does not alter the substantive insolvency laws of any jurisdiction and does not create a bankruptcy code in the Marshall Islands. Instead, the Act allows for the recognition by the Marshall Islands of foreign insolvency proceedings, the provision of foreign creditors with access to courts in the Marshall Islands, and the cooperation with foreign courts. Consequently, in the event of any bankruptcy, insolvency or similar proceedings involving us or one of our subsidiaries, bankruptcy laws other than those of the United States could apply. We have limited operations in the United States. If we become a debtor under the United States bankruptcy laws, bankruptcy courts in the United States may seek to assert jurisdiction over all of our assets, wherever located, including property situated in other countries. There can be no assurance, however, that we would become a debtor in the United States or that a United States bankruptcy court would be entitled to, or accept, jurisdiction over such bankruptcy case or that courts in other countries that have jurisdiction over us and our operations would recognize a United States bankruptcy court's jurisdiction if any other bankruptcy court would determine it had jurisdiction.

Risks Relating to Our Common Shares

We may issue additional common shares or other equity securities without shareholder approval, which would dilute our existing shareholders' ownership interests and may depress the market price of our common shares.

We may issue additional common shares or other equity securities of equal or senior rank in the future without shareholder approval in connection with, among other things, future vessel acquisitions, the repayment of outstanding indebtedness, and the conversion of convertible financial instruments.

Our issuance of additional common shares or other equity securities of equal or senior rank in these situations would have the following effects:

- our existing shareholders' proportionate ownership interest in us would decrease;
- the proportionate amount of cash available for dividends payable per common share could decrease;
- the relative voting strength of each previously outstanding common share could be diminished; and
- the market price of our common shares could decline.

In addition, as of March 30, 2023, we may be obliged to issue additional common shares pursuant to the terms of outstanding warrants and convertible note as follows:

- 11,028 common shares issuable upon the exercise of a representative's warrant issued to Maxim Group LLC in connection with our public offering which closed on April 2, 2020, at an exercise price per share of \$34.00, which warrant expires on March 31, 2023;

- 27,304 common shares issuable upon the exercise of outstanding Class D warrants at an exercise price of \$13.99 per share, which warrants were issued in our public offering which closed on April 2, 2020 and expire in April 2025;
- 449,459 common shares issuable upon the exercise of outstanding Class E Warrants at an exercise price of \$4.99 per share, which warrants were issued in our underwritten public offering which closed on August 20, 2020 and which expire in August 2025; and
- 263,750 common shares issuable upon the conversion of an outstanding convertible note that we issued to JDH, at a conversion price of \$12.00 per common share.

Our issuance of additional common shares upon the exercise of such warrants and convertible note would cause the proportionate ownership interest in us of our existing shareholders, other than the exercising warrant or note holders, to decrease; the relative voting strength of each previously outstanding common share held by our existing shareholders to decrease; and, depending on our share price when and if these warrants or note are exercised, may result in dilution to our shareholders.

The market price of our common shares has been and may in the future be subject to significant fluctuations. Further, there is no guarantee of a continuing public market to resell our common shares.

The market price of our common shares has been and may in the future be subject to significant fluctuations as a result of many factors, some of which are beyond our control. Among the factors that have in the past and could in the future affect our stock price are:

- quarterly variations in our results of operations;
- changes in market valuations of similar companies and stock market price and volume fluctuations generally;
- changes in earnings estimates or the publication of research reports by analysts;
- speculation in the press or investment community about our business or the shipping industry generally;
- strategic actions by us or our competitors such as acquisitions or restructurings;
- the thin trading market for our common shares, which makes it somewhat illiquid;
- regulatory developments;
- additions or departures of key personnel;
- general market conditions; and
- domestic and international economic, market and currency factors unrelated to our performance.

On December 30, 2022, the closing price of our common shares on the Nasdaq Capital Market was \$4.96 per share, as compared to \$5.37, which was the closing price on March 28, 2023. In addition, there has been volatility in our intra-day common share price. For example, the high and low intra-day prices on March 14, 2023 were \$6.14 and \$5.31, respectively. As a result, there is a potential for rapid and substantial decreases in the price of our common shares, including decreases unrelated to our operating performance or prospects.

The stock markets in general, and the markets for dry bulk shipping and shipping stocks in particular, have experienced extreme volatility that has sometimes been unrelated to the operating performance of individual companies. These broad market fluctuations may adversely affect the trading price of our common stock.

Additionally, there is no guarantee of a continuing public market to resell our common shares. Our common shares commenced trading on the Nasdaq Global Market on October 15, 2008. Since December 21, 2012, our common shares have traded on the Nasdaq Capital Market. We cannot assure you that an active and liquid public market for our common shares will continue.

On July 15, 2019, we received written notification from the Nasdaq Stock Market, indicating that because the closing bid price of our common stock for 30 consecutive business days, from May 31, 2019 to July 12, 2019, was below the minimum \$1.00 per share bid price requirement for continued listing on the Nasdaq Capital Market, we were not in compliance with Nasdaq Listing Rule 5550(a)(2). Pursuant to Nasdaq Listing Rule 5810(c)(3)(A), the applicable grace period to regain compliance was 180 days, or until January 13, 2020. On January 14, 2020, we received written notification from the Nasdaq Stock Market, indicating that we were granted an additional 180-day grace period, until July 13, 2020, to cure our non-compliance with Nasdaq Listing Rule 5550(a)(2). We received written notification from the Nasdaq Stock Market dated April 17, 2020, granting an extension of the grace period to cure such non-compliance from July 13, 2020 to September 25, 2020. The extension was granted as part of Nasdaq's determination to toll the compliance periods for all public companies, not meeting the continued listing requirements, such as the bid price requirement, due to the extraordinary market conditions and unprecedented turmoil in U.S. financial markets. On June 30, 2020, we conducted a 1-for-16 reverse stock split. On July 15, 2020, the Nasdaq Stock Market confirmed that we regained compliance with Nasdaq Listing Rule 5550(a)(2) concerning the minimum bid price of the Company's common stock.

On September 30, 2020, we again received written notification from the Nasdaq Stock Market indicating that because the closing bid price of our common stock for 30 consecutive business days, from August 18, 2020 to September 29, 2020, was below the minimum \$1.00 per share bid price requirement for continued listing on the Nasdaq Capital Market, we were not in compliance with Nasdaq Listing Rule 5550(a)(2). Pursuant to Nasdaq Listing Rule 5810(c)(3)(A), the applicable grace period to regain compliance was 180 days, or until March 29, 2021. On February 11, 2021, the Nasdaq Stock Market confirmed that we regained compliance with Nasdaq Listing Rule 5550(a)(2) concerning the minimum bid price of the Company's common stock and this matter is now closed.

On January 26, 2022, we again received written notification from the Nasdaq Stock Market indicating that because the closing bid price of our common stock for 30 consecutive business days, from December 13, 2021 to January 25, 2022, was below the minimum \$1.00 per share bid price requirement for continued listing on the Nasdaq Capital Market, we were not in compliance with Nasdaq Listing Rule 5550(a)(2). Pursuant to Nasdaq Listing Rule 5810(c)(3)(A), the applicable grace period to regain compliance was 180 days, or until July 25, 2022. On February 14, 2022, the Nasdaq Stock Market confirmed that we regained compliance with Nasdaq Listing Rule 5550(a)(2) concerning the minimum bid price of the Company's common stock and this matter is now closed.

On August 1, 2022, we again received written notification from the Nasdaq Stock Market indicating that because the closing bid price of our common stock for 30 consecutive business days, from June 16, 2022 to July 29, 2022, was below the minimum \$1.00 per share bid price requirement for continued listing on the Nasdaq Capital Market, we were not in compliance with Nasdaq Listing Rule 5550(a)(2). Pursuant to Nasdaq Listing Rule 5810(c)(3)(A), the applicable grace period to regain compliance was 180 days, or until January 30, 2023. On January 31, 2023, we received written notification from the Nasdaq Stock Market, indicating that we were granted an additional 180-day grace period, until July 31, 2023, to cure our non-compliance with Nasdaq Listing Rule 5550(a)(2). On February 16, 2023, we conducted a 1-for-10 reverse stock split. On March 6, 2023, we announced that the Nasdaq Stock Market confirmed that we regained compliance with Nasdaq Listing Rule 5550(a)(2) concerning the minimum bid price of the Company's common stock and this matter is now closed.

A possible "short squeeze" due to a sudden increase in demand of our common stock that largely exceeds supply may lead to further price volatility in our common shares.

Investors may purchase our common shares to hedge existing exposure in our common shares or to speculate on the price of our common shares. Speculation on the price of our common shares may involve long and short exposures. To the extent aggregate short exposure exceeds the number of common shares available for purchase in the open market, investors with short exposure may have to pay a premium to repurchase our common shares for delivery to lenders of our common shares. Those repurchases may in turn, dramatically increase the price of our common shares until investors with short exposure are able to purchase additional common shares to cover their short position. This is often referred to as a "short squeeze." Following such a short squeeze, once investors purchase the shares necessary to cover their short position, the price of our common shares may rapidly decline. A short squeeze could lead to volatile price movements in our shares that are not directly correlated to the performance or prospects of our company.

We may not have the surplus or net profits required by law to pay dividends. The declaration and payment of dividends will always be subject to the discretion of our board of directors and will depend on a number of factors. Our board of directors may not declare dividends in the future.

The declaration, timing and amount of any dividend is subject to the discretion of our board of directors and will be dependent upon our earnings, financial condition, market prospects, capital expenditure requirements, investment opportunities, restrictions in our loan agreements, the provisions of Marshall Islands law affecting the payment of dividends to shareholders, overall market conditions and other factors. Our board of directors may not declare dividends in the future.

Further, Marshall Islands law generally prohibits the payment of dividends if the company is insolvent or would be rendered insolvent upon payment of such dividend, and dividends may be declared and paid out of our operating surplus. Dividends may also be declared or paid out of net profits for the fiscal year in which the dividend is declared and for the preceding fiscal year. We may not have the required surplus or net profits to pay dividends, and we may be unable to pay dividends in any anticipated amount or at all.

The superior voting rights of our Series B Preferred Shares may limit the ability of our common shareholders to control or influence corporate matters, and the interests of the holder of such shares could conflict with the interests of common shareholders.

While our common shares have one vote per share, each of our 20,000 Series B Preferred Shares presently outstanding has 25,000 votes per share; however, the voting power of the Series B Preferred Shares is limited such that no holder of Series B Preferred Shares may exercise voting rights pursuant to any Series B Preferred Shares that would result in the total number of votes a holder is entitled to vote on any matter submitted to a vote of shareholders of the Company to exceed 49.99% of the total number of votes eligible to be cast on such matter. The Series B Preferred Shares, however, have no dividend rights or distribution rights, other than the right upon dissolution to receive a payment equal to the par value per of \$0.0001 per share.

As of the date of this annual report, our Chairman and Chief Executive Officer can therefore control 49.99% of the voting power of our outstanding capital stock. Our Chairman and Chief Executive Officer will have substantial control and influence over our management and affairs and over matters requiring shareholder approval, including the election of directors and significant corporate transactions, even though he owns significantly less than 50% of the Company economically.

The superior voting rights of our Series B Preferred Shares may limit our common shareholders' ability to influence corporate matters. The interests of the holder of the Series B Preferred Shares may conflict with the interests of our common shareholders, and as a result, the holders of our capital stock may approve actions that our common shareholders do not view as beneficial. Any such conflicts of interest could adversely affect our business, financial condition and results of operations, and the trading price of our common shares.

Anti-takeover provisions in our restated articles of incorporation, as amended, and third amended and restated bylaws could make it difficult for our shareholders to replace or remove our current board of directors or could have the effect of discouraging, delaying or preventing a merger or acquisition, which could adversely affect the market price of our common shares.

Several provisions of our restated articles of incorporation, as amended, and third amended and restated bylaws may have anti-takeover effects. These provisions are intended to avoid costly takeover battles, lessen our vulnerability to a hostile change of control and enhance the ability of our board to maximize shareholder value in connection with any unsolicited offer to acquire our company. However, these anti-take-over provisions could make it difficult for our shareholders to change the composition of our board of directors in any one year, preventing them from changing the composition of our management. In addition, the same provisions may discourage, delay or prevent a merger or acquisition that some shareholders may consider favorable.

These provisions:

- authorize our board of directors to issue "blank check" preferred stock without shareholder approval, including preferred shares with superior voting rights, such as the Series B Preferred Shares;
- provide for a classified board of directors with staggered, three-year terms;
- permit the removal of any director only for cause;
- prohibiting shareholder action by written consent unless the written consent is signed by all shareholders entitled to vote on the action;
- limiting the persons who may call special meetings of shareholders; and
- establishing advance notice requirements for nominations for election to our board of directors or for proposing matters that can be acted on by shareholders at meetings of shareholders.

In addition, we have entered into a shareholders' rights agreement that makes it more difficult for a third party to acquire us without the support of our board of directors. See "Description of Securities" filed as Exhibit 2.5 hereto for a description of our shareholders rights agreement. These anti-takeover provisions, along with provisions of our shareholders rights agreement, could substantially impede the ability of our shareholders to impose a change in control and, as a result, may adversely affect the market price of our common shares and your ability to realize any potential change of control premium.

Issuance of preferred shares, such as our Series B Preferred Shares, may adversely affect the voting power of our common shareholders and have the effect of discouraging, delaying or preventing a merger or acquisition, which could adversely affect the market price of our common shares.

Our restated articles of incorporation, as amended, currently authorize our board of directors to issue preferred shares in one or more series and to determine the rights, preferences, privileges and restrictions, with respect to, among other things, dividends, conversion, voting, redemption, liquidation and the number of shares constituting any series without shareholders' approval. Our board of directors has issued, and may in the future issue, preferred shares with voting rights superior to those of the common shares, such as the Series B Preferred Shares. If our board of directors determines to issue preferred shares, such issuance may discourage, delay or prevent a merger or acquisition that shareholders may consider favorable. The issuance of preferred shares with voting and conversion rights may also adversely affect the voting power of the holders of common shares. This could substantially impede the ability of public shareholders to benefit from a change in control and, as a result, may adversely affect the market price of our common shares and our shareholders' ability to realize any potential change of control premium.

We are incorporated in the Republic of the Marshall Islands, which does not have a well-developed body of corporate law, which may negatively affect the ability of shareholders to protect their interests.

Our corporate affairs are governed by our restated articles of incorporation, as amended, our third amended and restated bylaws and by the Marshall Islands Business Corporations Act, or the BCA. The provisions of the BCA resemble provisions of the corporation laws of a number of states in the United States. However, there have been few judicial cases in the Republic of the Marshall Islands interpreting the BCA. The rights and fiduciary responsibilities of directors under the laws of the Republic of the Marshall Islands are not as clearly established as the rights and fiduciary responsibilities of directors under statutes or judicial precedent in existence in certain U.S. jurisdictions. Shareholder rights may differ as well. While the BCA does specifically incorporate the non-statutory law, or judicial case law, of the State of Delaware and other states with substantially similar legislative provisions, shareholders may have more difficulty in protecting their interests in the face of actions by the management, directors or controlling shareholders than would shareholders of a corporation incorporated in a U.S. jurisdiction.

Additionally, the Republic of the Marshall Islands does not have a legal provision for bankruptcy or a general statutory mechanism for insolvency proceedings. As such, in the event of a future insolvency or bankruptcy, our shareholders and creditors may experience delays in their ability to recover for their claims after any such insolvency or bankruptcy. Further, in the event of any bankruptcy, insolvency, liquidation, dissolution, reorganization or similar proceeding involving us or any of our subsidiaries, bankruptcy laws other than those of the United States could apply. If we become a debtor under U.S. bankruptcy law, bankruptcy courts in the United States may seek to assert jurisdiction over all of our assets, wherever located, including property situated in other countries. There can be no assurance, however, that we would become a debtor in the United States, or that a U.S. bankruptcy court would be entitled to, or accept, jurisdiction over such a bankruptcy case, or that courts in other countries that have jurisdiction over us and our operations would recognize a U.S. bankruptcy court's jurisdiction if any other bankruptcy court would determine it had jurisdiction.

We may fail to meet the continued listing requirements of Nasdaq, which could cause our common shares to be delisted.

There can be no assurance that we will remain in compliance with Nasdaq's listing qualification rules, or that our common shares will not be delisted, which could have an adverse effect on the market price of, and the efficiency of the trading market for, our common shares and could cause a default under our loan facilities and other financing agreements. Please see the risk factor included in this annual report entitled *"The market price of our common shares has been and may in the future be subject to significant fluctuations. Further, there is no guarantee of a continuing public market to resell our common shares."*

As a Marshall Islands corporation with principal executive offices in Greece, and also having subsidiaries in the Republic of the Marshall Islands and other offshore jurisdictions such as the Republic of Liberia, Bermuda and the British Virgin Islands, our operations may be subject to economic substance requirements.

In March 2019, the Council of the European Union, or the Council, published a list of non-cooperative jurisdictions for tax purposes, the 2019 Conclusions. In the 2019 Conclusions, the Republic of the Marshall Islands, among others, was placed by the E.U. on the list of non-cooperative jurisdictions for failing to implement certain commitments previously made to the E.U. by the agreed deadline. However, it was announced by the Council in October 2019 that the Marshall Islands had been removed from the list of non-cooperative jurisdictions. Bermuda and the British Virgin Islands were similarly added and subsequently removed from the list within 2019. In February 2023, the Marshall Islands was added again to the list of non-cooperative jurisdictions, along with the British Virgin Islands, among others. E.U. member states have agreed upon a set of measures, which they can choose to apply against the listed countries, including, inter alia, increased monitoring and audits, withholding taxes and non-deductibility of costs. The European Commission has stated it will continue to support member states' efforts to develop a more coordinated approach to sanctions for the listed countries. E.U. legislation prohibits E.U. funds from being channelled or transited through entities in non-cooperative jurisdictions.

We are a Marshall Islands corporation with principal executive offices in Greece. Several of our subsidiaries are organized in the Republic of the Marshall Islands, the British Virgin Islands, the Republic of Liberia and Bermuda. The Marshall Islands have enacted economic substance regulations with which we are obligated to comply. The Marshall Islands economic substance regulations require certain entities that carry out particular activities to comply with a three-part economic substance test whereby the entity must show that it (i) is directed and managed in the Marshall Islands in relation to that relevant activity, (ii) carries out core income-generating activity in relation to that relevant activity in the Marshall Islands (although it is being understood and acknowledged by the regulators that income-generated activities for shipping companies will generally occur in international waters) and (iii) having regard to the level of relevant activity carried out in the Marshall Islands has (a) an adequate amount of expenditures in the Marshall Islands, (b) adequate physical presence in the Marshall Islands and (c) an adequate number of qualified employees in the Marshall Islands. Bermuda and the British Virgin Islands have enacted similar legislation.

If we fail to comply with our obligations under such legislation or any similar law applicable to us in any other jurisdictions, we could be subject to financial penalties and spontaneous disclosure of information to foreign tax officials, or could be struck from the register of companies, in related jurisdictions. Any of the foregoing could be disruptive to our business and could have a material adverse effect on our business, financial conditions and operating results.

We do not know (i) if the E.U. will act to remove the Republic of the Marshall Islands or the British Virgin Islands from, or add the Republic of Liberia or Bermuda to, the list of non-cooperative jurisdictions, (ii) how quickly the E.U. would react to any changes in legislation of the relevant jurisdictions, or (iii) how E.U. banks or other counterparties will react while we or any of our subsidiaries remain as entities organized and existing under the laws of listed countries. The effect of the E.U. list of non-cooperative jurisdictions, and any noncompliance by us with any legislation adopted by applicable countries to achieve removal from the list, including economic substance regulations, could have a material adverse effect on our business, financial conditions and operating results.

It may not be possible for investors to serve process on or enforce U.S. judgments against us.

We and all of our subsidiaries are incorporated in jurisdictions outside the U.S. and substantially all of our assets and those of our subsidiaries are located outside the U.S. In addition, most of our directors and officers are non-residents of the U.S., and all or a substantial portion of the assets of these non-residents are located outside the U.S. As a result, it may be difficult or impossible for U.S. investors to serve process within the U.S. upon us, our subsidiaries or our directors and officers or to enforce a judgment against us for civil liabilities in U.S. courts. In addition, you should not assume that courts in the countries in which we or our subsidiaries are incorporated or where our assets or the assets of our subsidiaries are located (1) would enforce judgments of U.S. courts obtained in actions against us or our subsidiaries based upon the civil liability provisions of applicable U.S. federal and state securities laws or (2) would enforce, in original actions, liabilities against us or our subsidiaries based on those laws.

ITEM 4. INFORMATION ON THE COMPANY

A. History and Development of the Company

Overview

We are an international shipping company specializing in the worldwide seaborne transportation of dry bulk commodities. We currently operate 16 Capesize vessels with a cargo-carrying capacity of approximately 2,846,965 dwt and an average fleet age of 12.1 years. We are the only pure-play Capesize shipowner publicly listed in the U.S.

We believe we have established a reputation in the international dry bulk shipping industry for operating and maintaining vessels with high standards of performance, reliability and safety. We have assembled a management team comprised of executives who have extensive experience operating large and diversified fleets, and who have strong ties to a number of international charterers.

We were incorporated under the laws of the Republic of the Marshall Islands, pursuant to the BCA, on January 4, 2008, originally under the name Seanergy Merger Corp. We changed our name to Seanergy Maritime Holdings Corp. on July 11, 2008. Our executive offices are located at 154 Vouliagmenis Avenue, 166 74 Glyfada, Greece and our telephone number is + 30 213 0181507. Our website is www.seanergymaritime.com. The SEC maintains a website that contains reports, proxy and information statements, and other information that we file electronically at www.sec.gov.

History and Development

Business Development and Capital Expenditures and Divestitures

In December 2019, we completed our initial program of installation of scrubbers in anticipation of the IMO's low sulfur fuel oil requirements in effect from January 1, 2020 on five Capesize vessels. As of the date of this annual report a total of nine of our vessels have scrubbers installed.

On April 2, 2020, we sold 253,646 units (including the full exercise of the over-allotment option of 33,084 units granted to the underwriters) at a price of \$27.2 per unit in a public offering for gross proceeds of \$6.9 million. As of the date of this annual report, 4,368,750 Class D Warrants for the issuance of 27,304 shares at an exercise price of \$13.99, issued in connection with the public offering, remain outstanding. The Class D Warrants expire on April 2, 2025.

Between April 23, 2020 and June 26, 2020, we issued 226,342 of our common shares pursuant to exercises of outstanding Class D Warrants with gross proceeds of \$4.1 million.

Between April and May 2020, we sold 1,169,062 of our common shares in four registered direct offerings concurrently with private placements of 11,690,625 warrants for a purchase price ranging between \$21.6 and \$19.2 per common share. The gross proceeds were approximately \$23.2 million. During May and June 2020, a total of 1,169,062 shares were issued pursuant to the exercises of all warrants issued under the four private placements, for gross proceeds of approximately \$16.9 million.

On May 26, 2020, we entered into a definitive agreement with an unaffiliated third party to purchase a Japanese 2005-built Capesize vessel having a cargo-carrying capacity of approximately 177,500 dwt, which was renamed M/V Goodship. The vessel was delivered to us on August 7, 2020. The gross purchase price of \$11.4 million was funded with cash on hand at delivery and subsequently through the ABB Loan Facility (as defined below).

At the opening of trading on June 30, 2020, we effected a one-for-sixteen reverse stock split of our common stock in order to cure the deficiency of the Nasdaq minimum bid price requirement originally communicated to us on July 15, 2019.

In August 2020, we sold 3,571,428 units at a price of \$7.0 per unit in an underwritten public offering. As of the date of this annual report, 4,494,599 Class E warrants for the issuance of 449,459 shares at an exercise price of \$4.99 per share, issued in connection with this offering, remain outstanding. The Class E warrants expire on August 20, 2025.

On September 30, 2020, we received written notification from the Nasdaq Stock Market indicating that because the closing bid price of our common stock for 30 consecutive business days, from August 18, 2020 to September 29, 2020, was below the minimum \$1.00 per share bid price requirement for continued listing on the Nasdaq Capital Market, we were not in compliance with Nasdaq Listing Rule 5550(a)(2). Pursuant to Nasdaq Listing Rule 5810(c)(3)(A), the applicable grace period to regain compliance was 180 days, or until March 29, 2021. On February 11, 2021, the Nasdaq Stock Market confirmed that we regained compliance with Nasdaq Listing Rule 5550(a)(2) concerning the minimum bid price of the Company's common stock.

Between January 15, 2021 and October 1, 2021, we issued 3,226,371 of our common shares pursuant to exercises of outstanding Class E warrants with gross proceeds of \$22.6 million.

On February 12, 2021, we entered into a definitive agreement with an unaffiliated third party to purchase a Japanese 2006-built Capesize vessel having a cargo-carrying capacity of approximately 177,000 dwt, which was renamed M/V Tradership. The vessel was delivered to us on June 9, 2021. The gross purchase price of \$17.0 million was funded with cash on hand at delivery and subsequently through the ABB Loan Facility (as defined below).

On February 19, 2021, we issued 4,415,000 of our common shares in a registered direct offering for a purchase price of \$17.0 per common share, for aggregate gross proceeds of approximately \$75.0 million.

On March 10, 2021, we entered into a definitive agreement with an unaffiliated third party to purchase a Japanese 2013-built Capesize vessel having a cargo-carrying capacity of approximately 176,500 dwt, which was renamed M/V Flagship. The vessel was delivered to us on May 6, 2021. The gross purchase price of approximately \$28.4 million was funded with cash on hand at delivery and subsequently through Flagship Cargill Sale and Leaseback (as defined below).

On March 11, 2021, we entered into a definitive agreement with unaffiliated third parties to purchase a Japanese 2010-built Capesize vessel having a cargo-carrying capacity of approximately 182,000 dwt, which was renamed M/V Patriotship. The vessel was delivered to us on June 1, 2021. The gross purchase price of \$26.6 million was funded with cash on hand at delivery and subsequently through CMBFL Sale and Leaseback (as defined below).

On March 19, 2021, we entered into a definitive agreement with an unaffiliated third party to purchase a Japanese 2012-built Capesize vessel having a cargo-carrying capacity of approximately 181,000 dwt, which was renamed M/V Hellasship. The vessel was delivered to us on May 6, 2021. The gross purchase price of \$28.6 million was funded with cash on hand at delivery and subsequently through CMBFL Sale and Leaseback (as defined below).

On March 24, 2021, we issued 95,573 common shares to JDH, following JDH's exercise of its pre-funded warrants from the December 30, 2020 transaction. Please see "Item 5. Operating and Financial Review and Prospects – B. Liquidity and Capital Resources – Loan Arrangements – JDH Transactions".

On May 17, 2021, we entered into an agreement with unaffiliated third parties for the purchase of a Japanese 2012-built Capesize vessel having a cargo-carrying capacity of approximately 181,400 dwt, which was renamed M/V Worldship. The vessel was delivered to us on August 30, 2021 and the gross purchase price of \$33.7 million was funded with cash on hand at delivery and subsequently through the 2021 Piraeus Bank Loan Facility (as defined below).

On June 22, 2021, we entered into an agreement with an unaffiliated third party for the purchase of a Japanese 2009-built Capesize vessel having a cargo-carrying capacity of approximately 177,000 dwt, which was renamed M/V Friendship. The vessel was delivered to us on July 27, 2021. The gross purchase price of \$24.6 million was financed with cash on hand at delivery and subsequently through the August 2021 Alpha Bank Loan Facility (as defined below).

On August 10, 2021, our board of directors authorized a share repurchase plan of up to \$17 million of our outstanding common shares or other securities, which has been fully utilized. Pursuant to the plan, we have repurchased common shares for \$1.7 million, a common stock purchase warrant for \$1.0 million and two convertible notes with an aggregate principal amount of \$13.95 million (discussed below).

On September 30, 2021, we sold the *Leadership* to an unaffiliated third party for a gross sale price of \$12.6 million.

On October 5, 2021, we entered into an agreement with an unaffiliated third party for the purchase of a Japanese 2010-built Capesize vessel having a cargo-carrying capacity of approximately 181,500 dwt, which was renamed M/V Dukeship. The vessel was delivered to us on November 26, 2021 and the gross purchase price of \$34.3 million was funded with cash on hand at delivery and subsequently through the June 2022 Alpha Bank Loan Facility.

On October 14, 2021 we issued 300,000 common shares to JDH following the conversion of \$3,600,000 of the principal amount of the First JDH Note, at the conversion price of \$12.0 per share.

Through a series of transactions during the period of November and December 2021, we have repurchased 170,210 of our outstanding common shares at an average price of approximately \$9.93.

On December 7, 2021, we entered into a warrant repurchase agreement with JDH to repurchase a common stock purchase warrant to purchase 428,571 of our common shares for \$1.0 million. On December 10, 2021, we prepaid the outstanding principal amount of the First JDH Note and the Third JDH Note in an aggregate amount of \$13.95 million. These transactions closed, all obligations were terminated under the two convertible notes and the warrant was cancelled, on December 10, 2021.

On December 7, 2021, our board of directors authorized a new share repurchase plan pursuant to which we could repurchase up to \$10.0 million of our outstanding common shares or other securities. This share repurchase plan has been fully utilized. Pursuant to the plan, we repurchased \$5.0 million on January 26, 2022 and an additional \$5.0 million on March 10, 2022 in relation to a convertible note (discussed below). In connection with the first of these repurchases our cash sweep obligations for 2022 under the convertible note were waived pursuant to a waiver letter signed on January 19, 2022.

On December 10, 2021, we entered into a stock purchase agreement and issued 20,000 Series B Preferred Shares, par value \$0.0001 per share, to our Chairman and Chief Executive Officer, in return for cash consideration of \$250,000.

On December 13, 2021, our previously issued Class A Warrants, trading under the symbol SHIPW, expired.

On January 26, 2022, we voluntarily prepaid \$5.0 million of the outstanding balance of the Second JDH Note using cash on hand.

On January 26, 2022, we received written notification from the Nasdaq Stock Market indicating that because the closing bid price of our common stock for 30 consecutive business days, from December 13, 2021 to January 25, 2022, was below the minimum \$1.00 per share bid price requirement for continued listing on the Nasdaq Capital Market, we were not in compliance with Nasdaq Listing Rule 5550(a)(2). Pursuant to Nasdaq Listing Rule 5810(c)(3)(A), the applicable grace period to regain compliance was 180 days, or until July 25, 2022. On February 14, 2022, the Nasdaq Stock Market confirmed that we regained compliance with Nasdaq Listing Rule 5550(a)(2) concerning the minimum bid price of the Company's common stock.

On February 28, 2022, we voluntarily prepaid the remaining balance of \$1.85 million of the Second JDH Loan using cash on hand. All obligations under the Second JDH Loan were irrevocably and unconditionally discharged pursuant to the deed of release dated February 28, 2022.

On March 10, 2022, we voluntarily prepaid another \$5.0 million of the outstanding balance of the Second JDH Note using cash on hand.

On March 10, 2022, we initiated the payment of quarterly cash dividends and declared a quarterly dividend of \$0.25 per share and a special dividend of \$0.25 per share with respect to the fourth quarter of 2021.

On May 13, 2022, our previously issued Class B Warrants, trading under the symbol SHIPZ, expired.

On May 25, 2022, we entered into an agreement with an unaffiliated third party for the purchase of a Japanese 2010-built Capesize vessel having a cargo-carrying capacity of approximately 180,000 dwt, which was renamed M/V Honorship. The vessel was delivered to us on June 27, 2022 and the gross purchase price of \$34.6 million was funded with cash on hand and through the June 2022 Piraeus Bank Loan Facility.

On June 27, 2022, United's application to list its common shares on the Nasdaq Capital Market was approved. The registration statement on Form 20-F, filed by United in connection with its spin-off from us (the "Spin-Off"), was declared effective by the SEC. To effect the Spin-Off, we contributed the vessel-owning subsidiary of the M/V Gloriuship to United along with \$5.0 million in working capital, in connection with the distribution of (i) all of United's issued and outstanding common shares to our shareholders, (ii) 40,000 of United's Series B preferred shares, par value \$0.0001 to the holder of all of our issued and outstanding Series B preferred shares and (iii) 5,000 of United's 6.5% Series C Cumulative Convertible Perpetual Preferred Shares to us. Our common shareholders received one United common share for every 11.8 Seanergy common shares held at the close of business on June 28, 2022. The Spin-Off was effective upon the distribution of United's common shares on July 5, 2022.

On June 28, 2022, our board of directors authorized a new share repurchase plan pursuant to which we could repurchase up to \$5.0 million of our outstanding common shares, convertible note, and warrants. On November 28, 2022, the board of directors authorized the extension of the Buyback Plan until December 31, 2023. No repurchases have been made under this plan as of the date of this annual report.

On July 6, 2022, we completed the spin-off of our wholly owned subsidiary, United, effective July 5, 2022. Our shareholders received one United share for every 11.8 shares of Seanergy held at the close of business on June 28, 2022. Additionally, our Chairman and Chief Executive Officer, Stamatios Tsantanis, received 40,000 of United's Series B Preferred Shares and 5,000 of United's Series C Cumulative Convertible Perpetual Preferred Shares were issued to the Company. Fractional common shares of United were not distributed. Instead, the distribution agent aggregated fractional common shares into whole shares, promptly sold such whole shares in the open market at prevailing rates 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.

On July 14, 2022, we paid the previously announced quarterly dividend of \$0.25 per share for the first quarter of 2022 and declared a cash dividend of \$0.25 per share for the second quarter of 2022 payable to the shareholders of record as of September 25, 2022.

On July 26, 2022, we contributed another \$5.0 million to United in exchange for an additional 5,000 of United's newly issued Series C Cumulative Convertible Perpetual Preferred Shares, in connection with United's funding of the deposits payable for four tanker vessels that were acquired by United.

On August 1, 2022, we received written notification from the Nasdaq Stock Market indicating that because the closing bid price of our common stock for 30 consecutive business days, from June 16, 2022 to July 29, 2022, was below the minimum \$1.00 per share bid price requirement for continued listing on the Nasdaq Capital Market, we were not in compliance with Nasdaq Listing Rule 5550(a)(2). Pursuant to Nasdaq Listing Rule 5810(c)(3)(A), the applicable grace period to regain compliance is was 180 days, or until January 30, 2023. A second grace period until July 31, 2023 was granted by Nasdaq. On February 16, 2023, we conducted a 1-for-10 reverse stock split. On March 6, 2023, we announced that the Nasdaq Stock Market confirmed that we regained compliance with Nasdaq Listing Rule 5550(a)(2) concerning the minimum bid price of the Company's common stock and this matter is now closed.

On October 11, 2022, we paid the previously announced quarterly dividend of \$0.25 per share, for the second quarter of 2022 and declared a cash dividend of \$0.25 per share for the third quarter of 2022 payable to the shareholders of record as of December 28, 2022.

On October 17, 2022, we received \$0.17 million from United relating to dividends accrued under the Series C preferred shares from their original issuance date to the date thereof.

On November 9, 2022, we entered into an agreement with an unaffiliated third party for the purchase of a Japanese 2012-built Capesize vessel having a cargo-carrying capacity of approximately 181,415 dwt, which was renamed M/V Paroship. The vessel was delivered to us on December 27, 2023 and the gross purchase price of \$31.0 million was funded with cash on hand and through the December 2022 Alpha Bank Loan Facility.

On November 28, 2022, the outstanding 10,000 Series C Cumulative Convertible Perpetual Preferred Shares of United held by us were redeemed by United at a price equal to 105% of the original issue price for a total cash inflow of \$10.6 million, including all accrued and unpaid dividends up to the redemption date.

On November 30, 2022, we commenced a tender offer to purchase our outstanding Class E Warrants to purchase one common share, par value \$0.0001, at a price of \$0.20 per warrant. The tender offer expired at 5:00 P.M., Eastern Time, on January 10, 2023. A total of 4,038,114 Class E Warrants were tendered under the tender offer, representing approximately 47% of the outstanding Class E Warrants.

On December 27, 2022, we entered into definitive agreements to sell the 2005-built M/V Goodship and the 2006-built M/V Tradership, the oldest vessel in our fleet, to United, a related party. The M/V Goodship and the M/V Tradership were delivered to United on February 10, 2023 and February 28, 2023, respectively. The Company recorded a profit of approximately \$8.0 million in connection with the sale of the two vessels in the first quarter of 2023. These transactions reduced the average age of our fleet.

On January 3, 2023, we prepaid another \$8.0 million of the outstanding balance of the Second JDH Note using cash on hand, leaving approximately \$3.2 million currently outstanding.

On January 30, 2023, we paid the previously announced quarterly dividend of \$0.25 per share, for the third quarter of 2022 to the shareholders of record as of December 28, 2022.

At the opening of trading on February 16, 2023, we effected a one-for-ten reverse stock split of our common stock in order to cure the deficiency of the Nasdaq minimum bid price requirement originally communicated to us on August 1, 2022.

On March 14, 2023, we declared a cash dividend of \$0.025 per share for the fourth quarter of 2022 payable on or about April 25, 2023 to the shareholders of record as of March 31, 2023.

B. Business Overview

We are an international shipping company specializing in the worldwide seaborne transportation of dry bulk commodities. We currently operate 16 Capesize vessels, with a cargo-carrying capacity of approximately 2,846,965 dwt and an average fleet age of 12.1 years. We are the only pure-play Capesize shipping company listed in the U.S.

We believe we have established a reputation in the international dry bulk shipping industry for operating and maintaining vessels with high standards of performance, reliability and safety. We have assembled a management team comprised of executives who have extensive experience operating large and diversified fleets, and who have strong ties to a number of international charterers.

Our Current Fleet

The following table lists the vessels in our fleet as of the date of this annual report:

<i>Vessel Name</i>	<i>Year Built</i>	<i>Dwt</i>	<i>Flag</i>	<i>Yard</i>	<i>Type of Employment</i>
<i>Patriotship</i>	2010	181,709	MI	Imabari	T/C Index Linked ⁽¹⁾
<i>Dukeship</i>	2010	181,453	MI	Sasebo	T/C Index Linked ⁽²⁾
<i>Worldship</i>	2012	181,415	MI	Koyo-Imabari	T/C Index Linked ⁽³⁾
<i>Paroship</i>	2012	181,415	LIB	Imabari	T/C Index Linked ⁽⁴⁾
<i>Hellaship</i>	2012	181,325	LIB	Imabari	T/C Index Linked ⁽⁵⁾
<i>Honorship</i>	2010	180,242	MI	Imabari	T/C Index Linked ⁽⁶⁾
<i>Fellowship</i>	2010	179,701	MI	Daewoo	T/C Index Linked ⁽⁷⁾
<i>Championship</i>	2011	179,238	MI	Sungdong SB	T/C Index Linked ⁽⁸⁾
<i>Partnership</i>	2012	179,213	MI	Hyundai	T/C Index Linked ⁽⁹⁾
<i>Knightship</i>	2010	178,978	LIB	Hyundai	T/C Index Linked ⁽¹⁰⁾
<i>Lordship</i>	2010	178,838	LIB	Hyundai	T/C Index Linked ⁽¹¹⁾
<i>Friendship</i>	2009	176,952	LIB	Namura	T/C Index Linked ⁽¹²⁾
<i>Flagship</i>	2013	176,387	MI	Mitsui	T/C Index Linked ⁽¹³⁾
<i>Geniuship</i>	2010	170,057	MI	Sungdong SB	T/C Index Linked ⁽¹⁴⁾
<i>Premiership</i>	2010	170,024	MI	Sungdong SB	T/C Index Linked ⁽¹⁵⁾
<i>Squireship</i>	2010	170,018	LIB	Sungdong SB	T/C Index Linked ⁽¹⁶⁾

- (1) Chartered by Glencore and delivered to the charterer on November 19, 2022 for a period of about 12 to about 18 months. The gross daily rate of the T/C is based on a premium over the daily BCI and features a scrubber profit sharing scheme. In addition, the T/C provides us the option to convert the variable charter hire to a fixed rate for a period of between one and nine months priced at the prevailing Capesize Forward Freight Agreement rate, or FFA, for the selected period.
- (2) Chartered by NYK and delivered to the charterer on December 1, 2021 for a period of about 13 to about 18 months. The daily charter hire is based on a premium over the daily BCI. In addition, the time charter provides us the option to convert the variable charter hire to a fixed rate for a period of between two and 12 months priced at the prevailing Capesize FFA for the selected period.
- (3) Chartered by Cargill and delivered to the charterer on September 2, 2021 for a period of about 12 to about 16 months at a daily charter hire rate of was \$31,750. In September 2022, the charterer of the M/V Worldship agreed to exercise the optional period extending the T/C for about 12 to about 15 months at a daily rate based on a premium over the daily BCI and scrubber profit sharing scheme. In addition, the T/C provides us the option to convert the variable charter hire to a fixed rate for a period of between one and nine months priced at the prevailing Capesize FFA rate for the selected period.
- (4) Chartered by Oldendorff and delivered to the charterer on January 12, 2023 for a period of about 10 months to maximum December 31, 2023. The daily charter hire is based on a premium over the BCI and features a scrubber profit sharing scheme. In addition, the time charter provides us with the option to convert the index linked rate to a fixed rate for a period of between three and nine months priced at the prevailing Capesize FFA for the selected period.
- (5) Chartered by NYK and delivered to the charterer on May 10, 2021 for a period of minimum 11 to maximum 15 months. In April 2022, the charter period was extended for minimum December 31, 2023 to maximum March 31, 2024 at a daily charter hire based on a premium over the BCI. In addition, the T/C provides us the option to convert the variable charter hire to a fixed rate for a period between two and 12 months priced at the prevailing Capesize FFA rate for the selected period.
- (6) Chartered by NYK and delivered to the charterer on June 30, 2022 for a period of about 20 to about 24 months from the delivery date. The daily charter hire is based on a premium over the BCI. In addition, the time charter provides us with the option to convert the variable charter hire rate to a fixed rate for a period of between two and 12 months priced at the prevailing Capesize FFA for the selected period.
- (7) Chartered by Anglo American, a leading global mining company, and delivered to the charterer on June 18, 2021 for a period of minimum 12 to about 15 months. In October 2022, the charter period was extended for minimum 20 to about 24 months at a daily charter hire based on a premium over the BCI. In addition, the time charter provides us with the option to convert the variable charter hire to a fixed rate for a period of between three and 12 months priced at the prevailing Capesize FFA for the selected period.
- (8) Chartered by Cargill and delivered to the charterer on November 7, 2018 for a period of employment of 60 months, with an optional period of about 16 to about 18 months. The daily charter hire is based on the BCI plus a net daily scrubber premium of \$1,740 and features a scrubber profit sharing scheme. In addition, the time charter provides us with the option to convert the variable charter hire rate to a fixed rate for a period of between three and 12 months priced at the prevailing Capesize FFA for the selected period.
- (9) Chartered by a major European utility and energy company and delivered to the charterer on September 11, 2019 for a period of minimum 33 to maximum 37 months with an optional period of about 11 to maximum 13 months. In September 2022, the charterer of the M/V Partnership agreed to exercise the optional period extending the T/C at a daily rate based on a premium over the BCI and a scrubber profit sharing scheme. In addition, the time charter provides us with the option to convert the variable charter hire rate to a fixed rate for a period of between three and 12 months priced at the prevailing Capesize FFA for the selected period.
- (10) Chartered by Glencore and delivered to the charterer on May 15, 2020 for a period of about 36 to about 42 months with two optional periods of 11 to 13 months. In March 2023, the charterer of the M/V Knightship agreed to exercise the first optional period extending the T/C after the maximum original period at a rate based on the BCI and a scrubber profit sharing scheme. The daily charter hire is based on a premium over the BCI and features a scrubber profit sharing scheme. In addition, the time charter provides us with the option to convert the variable charter hire rate to a fixed rate for a period of between one and nine months priced at the prevailing Capesize FFA for the selected period.
- (11) Chartered by a major European utility and energy company and delivered on August 4, 2019 for a period of minimum 33 to maximum 37 months with an optional period of about 11 to maximum 13 months. In September 2022, the charterer of the M/V Lordship agreed to exercise the option to extend the T/C at a daily rate based on the BCI and a scrubber profit sharing scheme. In addition, the time charter provides us with the option to convert the variable charter hire rate to a fixed rate for a period of between three and 12 months priced at the prevailing Capesize FFA for the selected period.
- (12) Chartered by NYK and delivered to the charterer on July 29, 2021 for a period of minimum December 31, 2023 to maximum March 31, 2024. The daily charter hire is based on a premium over the BCI. In addition, the time charter provides us with the option to convert the variable charter hire rate to a fixed rate for a period of between two and 12 months priced at the prevailing Capesize FFA for the selected period.

(13) Chartered by Cargill and delivered to the charterer on May 10, 2021 for a period of 60 months. The daily charter hire is based on a premium over the BCI minus \$1,325 per day. In addition, the time charter provides us with the option to convert the variable charter hire rate to a fixed rate for a period of between three and 12 months priced at the prevailing Capesize FFA for the selected period.

(14) Chartered by NYK and delivered to the charterer on February 5, 2022 for a period of about 11 to about 15 months from the delivery date. The daily charter hire is based on the BCI. In addition, the time charter provides us with the option to convert the index linked rate to a fixed rate for a period of between three and 12 months priced at the prevailing Capesize FFA for the selected period.

(15) Chartered by Glencore and delivered to the charterer on November 29, 2019 for a period of minimum 36 to maximum 42 months with two optional periods of minimum 11 to maximum 13 months. In October 2022, the charterer of the M/V Premiership agreed to exercise the first optional period extending the T/C after the maximum original period at a rate based on the BCI and a scrubber profit sharing scheme. In addition, the time charter provides us with the option to convert the variable charter hire rate to a fixed rate for a period of between one and nine months priced at the prevailing Capesize FFA for the selected period.

(16) Chartered by Glencore and delivered to the charterer on December 19, 2019 for a period of minimum 36 to maximum 42 months with two optional periods of minimum 11 to maximum 13 months. In November 2022, the charterer of the M/V Squireship agreed to exercise the first optional period extending the T/C after the maximum original period at a rate based on the BCI and a scrubber profit sharing scheme. In addition, the time charter provides us with the option to convert the variable charter hire rate to a fixed rate for a period of between one and nine months priced at the prevailing Capesize FFA for the selected period.

Key to Flags: MI – Marshall Islands, LIB – Liberia.

Our Business Strategy

We currently operate 16 Capesize vessels. We also intend to continue to review the market from time to time in order to identify potential acquisition targets which will be accretive to our earnings per share. Our acquisition strategy focuses on newbuilding or secondhand Capesize dry bulk vessels, although we may acquire vessels in other sectors which we believe offer attractive investment opportunities.

Management of Our Fleet

We manage our vessel's operations, insurances and bunkering and have the general supervision of our third-party technical and commercial managers.

Seanergy Shipmanagement, our wholly owned subsidiary, provides certain technical management services to the majority of the vessels of our fleet, namely the MVs Dukeship, Fellowship, Friendship, Knightship, Lordship, Worldship, Hellasship, Partnership, Flagship, Patriotship, Honorship, Premiership, Geniuship, Squireship and Paroship. In 2022 we paid a monthly fee of \$14,000 and \$10,000 per vessel for fourteen and one vessel, respectively, to Seanergy Shipmanagement. In addition, in 2022 we paid a monthly fee of \$10,000 for the M/V Goodship which was sold to United in February 2023. Since January 1, 2023, we are paying a monthly fee of \$14,000 and \$10,000 per vessel for fourteen and one vessel, respectively, to Seanergy Shipmanagement. These technical management services include, inter alia, general administrative and support services, bunkering, insurance arrangements and accounting related to vessels and provisions. These amounts are considered inter-company transactions and are, therefore, eliminated from our consolidated financial statements.

V.Ships Greece, an independent third party, provides technical management to two of our vessels, the MVs Championship and Friendship, that includes general administrative and support services, such as crewing and other technical management, accounting related to vessels and provisions. Pursuant to our technical management agreements with V.Ships Greece, we paid monthly fees of \$9,167 for the M/V Friendship in 2022 and of \$9,167 for the M/V Championship from September until December 2022. In addition, in 2022 we paid to V.Ships Limited a monthly fee of \$9,013 for the M/V Tradership which was sold to United in February 2023 and of \$9,013 for the M/V Championship from January until August 2022. From January 1, 2023 onwards, we are paying a monthly fee of \$9,625 per vessel to V.Ships Greece in exchange for providing these technical, support and administrative services. The management fees do not cover expenses such as voyage expenses, vessel operating expenses, maintenance expenses and crewing costs, which are reimbursed by us to V.Ships Greece. These technical management agreements are for an indefinite period until terminated by either party, giving the other notice in writing, in which event the applicable agreement shall terminate after one month from the date upon which such notice is received.

Seanergy Management has entered into a commercial management agreement with Fidelity, an independent third party, pursuant to which Fidelity provides commercial management services for all of the vessels in our fleet. Fidelity serves as a commercial broker for Capesize vessels exclusively to us. Under the commercial management agreement, we have agreed to reimburse Fidelity for all reasonable running and/or out-of-pocket expenses, including but not limited to, telephone, fax, stationary and printing expenses, as well as any pre-approved travelling expenses. In addition, we have agreed to pay the following fees to Fidelity, (i) an annual fee of EUR 120,000 net payable in equal monthly payments and (ii) commission fees equal to 0.15% calculated on the collected gross hire/freight/demurrage payable when the relevant hire/freight/demurrage is collected. The fees under (i) and (ii) are capped at \$0.4 million per year. The commercial management agreement may be terminated by either party upon giving one-month prior written notice to the other party.

V.Ships, Global Seaways and Anglo-Eastern provide crew management services to six, six and two vessels of our fleet, respectively. In 2022 we paid a monthly fee of \$2,000 per vessel to each of V.Ships and Anglo-Eastern and a monthly fee ranging between \$2,070 and \$2,415 to Global Seaways. Since January 1, 2023, we are paying a monthly fee of \$2,000 per vessel to each of V.Ships and Anglo-Eastern and of \$2,415 to Global Seaways.

Employment of Our Fleet

As of the date of this report, all our vessels are employed under long-term time charters which have a charter hire calculated at an index-linked rate based on the 5-routes T/C average of the BCI. All our time charter agreements have the option to convert the index linked rate into a fixed rate corresponding to the prevailing value of the respective Capesize FFAs. In the future, we may opportunistically look to employ some of our vessels under time charter contracts with a fixed rate, should rates become more attractive.

The Dry Bulk Shipping Industry

The global dry bulk vessel fleet is divided into four categories based on a vessel's carrying capacity. These categories are:

Capesize. Capesize vessels have a carrying capacity of exceeding 100,000 dwt. Only the largest ports around the world possess the infrastructure to accommodate vessels of this size. Capesize vessels are primarily used to transport iron ore or coal and, to a much lesser extent, grains, primarily on long-haul routes.

Panamax. Panamax vessels have a carrying capacity of between 60,000 and 100,000 dwt. These vessels are designed to meet the physical restrictions of the Panama Canal locks (hence their name “Panamax” — the largest vessels able to transit the Panama Canal prior to its 2016 expansion, making them more versatile than larger vessels). These vessels carry coal, grains, and, to a lesser extent, minerals such as bauxite/alumina and phosphate rock.

Handymax/Supramax. Handymax vessels have a carrying capacity of between 30,000 and 60,000 dwt. These vessels operate on a large number of geographically dispersed global trade routes, carrying primarily grains and minor bulks. The standard vessels are usually built with 25-30-ton cargo gear, enabling them to discharge cargo where grabs are required (particularly industrial minerals), and to conduct cargo operations in countries and ports with limited infrastructure. This type of vessel offers good trading flexibility and can, therefore, be used in a wide variety of bulk and neobulk trades, such as steel products. Supramax are a sub-category of this category typically having a cargo carrying capacity of between 50,000 and 60,000 dwt.

Handysize. Handysize vessels have a carrying capacity of up to 30,000 dwt. These vessels almost exclusively carry minor bulk cargo. Increasingly, vessels of this type operate on regional trading routes, and may serve as trans-shipment feeders for larger vessels. Handysize vessels are well suited for small ports with length and draft restrictions. Their cargo gear enables them to service ports lacking the infrastructure for cargo loading and discharging.

The supply of dry bulk vessels is dependent on the delivery of new vessels and the removal of vessels from the global fleet, either through scrapping or loss. The level of scrapping activity is generally a function of scrapping prices in relation to current and prospective charter market conditions, as well as operating, repair and survey costs.

The demand for dry bulk vessel capacity is determined by the underlying demand for commodities transported in dry bulk vessels, which in turn is influenced by trends in the global economy. Demand for dry bulk vessel capacity is also affected by the operating efficiency of the global fleet, with port congestion, which has been a feature of the market since 2004, absorbing tonnage and therefore leading to a tighter balance between supply and demand. In evaluating demand factors for dry bulk vessel capacity, we believe that dry bulk vessels can be the most versatile element of the global shipping fleets in terms of employment alternatives.

Charter Hire Rates

Charter hire rates fluctuate by varying degrees among dry bulk vessel size categories. The volume and pattern of trade in a small number of commodities (major bulks) affect demand for larger vessels. Therefore, charter rates and vessel values of larger vessels often show greater volatility. Conversely, trade in a greater number of commodities (minor bulks) drives demand for smaller dry bulk vessels. Accordingly, charter rates and vessel values for those vessels are subject to less volatility.

Charter hire rates paid for dry bulk vessels are primarily a function of the underlying balance between vessel supply and demand, although at times other factors may play a role. Furthermore, the pattern seen in charter rates is broadly mirrored across the different charter types and the different dry bulk vessel categories. However, because demand for larger dry bulk vessels is affected by the volume and pattern of trade in a relatively small number of commodities, charter hire rates (and vessel values) of larger ships tend to be more volatile than those for smaller vessels.

In the time charter market, rates vary depending on the length of the charter period and vessel specific factors such as age, speed and fuel consumption.

In the voyage charter market, rates are influenced by cargo size, commodity, port dues and canal transit fees, as well as commencement and termination regions. In general, a larger cargo size is quoted at a lower rate per ton than a smaller cargo size. Routes with costly ports or canals generally command higher rates than routes with low port dues and no canals to transit. Voyages with a load port within a region that includes ports where vessels usually discharge cargo or a discharge port within a region with ports where vessels load cargo also are generally quoted at lower rates, because such voyages generally increase vessel utilization by reducing the unloaded portion (or ballast leg) that is included in the calculation of the return charter to a loading area.

Within the dry bulk shipping industry, the charter hire rate references most likely to be monitored are the freight rate indexes issued by the Baltic Exchange. These references are based on actual charter hire rates under charters entered into by market participants as well as daily assessments provided to the Baltic Exchange by a panel of major shipbrokers.

Competition

We operate in markets that are highly competitive and based primarily on supply and demand. We compete for charters on the basis of price, vessel location, size, age and condition of the vessel, as well as on its reputation. Fidelity negotiates the terms of our charters (whether voyage charters, period time charters, bareboat charters or pools) based on market conditions. We currently compete primarily with other owners of dry bulk vessels, many of which may have more resources than us and may operate vessels that are newer, and therefore more attractive to charterers than vessels we may operate. Ownership of dry bulk vessels is highly fragmented and is divided among publicly listed companies, state-controlled companies and independent dry bulk vessel owners. We currently compete primarily with owners of dry bulk vessels in the Capesize class size.

Customers

Our customers include or have included national, regional and international companies. Customers individually accounting for more than 10% of our revenues during the years ended December 31, 2022, 2021 and 2020 were:

Customer	2022	2021	2020
A	24%	15%	-
B	18%	13%	-
C	17%	23%	23%
D	15%	11%	18%
E	-	10%	-
Total	74%	72%	41%

Seasonality

Coal, iron ore and grains, which are the major bulks of the dry bulk shipping industry, are somewhat seasonal in nature. The energy markets primarily affect the demand for coal, with increases during hot summer periods when air conditioning and refrigeration require more electricity and towards the end of the calendar year in anticipation of the forthcoming winter period. The demand for iron ore tends to decline in the summer months because many of the major steel users, such as automobile makers, reduce their level of production significantly during the summer holidays. Grain trades are completely seasonal as they are driven by the harvest within a climate zone. Because three of the five largest grain producers (the United States of America, Canada and the European Union) are located in the northern hemisphere and the other two (Argentina and Australia) are located in the southern hemisphere, harvests occur throughout the year and grains transportation requires dry bulk shipping accordingly.

Our ESG Initiatives

Environmental

We comply with all applicable environmental regulations in a timely and efficient manner, and we implement measures to further reduce our carbon footprint, improve our environmental performance and protect the marine environment. We continuously monitor the performance of our vessels through telemetry and advanced data management systems and take action to improve the energy efficiency of our fleet both operationally and technically, in view of the greenhouse gas (GHG) strategy set for 2030 and 2050 by the International Maritime Organization, the United Nations agency for maritime safety and the prevention of pollution by vessels (the "IMO").

- We have retrofitted our fleet with nine Exhaust Gas Cleaning Systems (“EGCS”) in order to comply with emissions standards, titled IMO- 2020, set by the IMO.
- We participate in the Poseidon Principles, which establish a framework for assessing and disclosing the climate alignment of ship finance portfolios and are consistent with the policies and ambitions of the IMO to reduce shipping’s total annual GHG emissions by at least 40% by 2030.
- We collaborate with our charterers within the scope of the Sea Cargo Charter, providing them with our vessel data to enable them to assess and report on the carbon intensity of the chartering activities of these vessels.
- We have engaged and actively participate in partnerships and alliances that promote sustainability in the maritime sector, including emission control and other environmental initiatives, such as the Getting to Zero Coalition, the Hellenic Decarbonization committee of RINA Classification Society and the Hellenic Marine Environment Protection Association.
- We are active participants in several projects for the development and/or deployment of new green technologies and alternative fuels, including with respect to:
 - the adoption of various latest technology voyage optimization platforms which aim to reduce fuel consumption and therefore our fleet’s CO2 footprint;
 - the installation of energy-saving devices, such as propeller ducts, propeller boss cap fins and variable frequency drives, which aim to reduce the required propulsion power and CO2 emissions of our vessels;
 - piloting and evaluating latest technology anti-fouling paints and hull cleaning technologies to reduce hull resistance and improve vessel’s energy efficiency; and
 - the techno-economic feasibility assessment of alternative fuels in shipping by executing multiple biofuel trials;

Social

We are focused on continuously improving our social impact, including with respect to the health, safety and wellbeing of employees, both on board and ashore, to operational excellence, and to community support. We are dedicated to providing equal employment opportunities and treating our people fairly without regard to race, color, religious beliefs, age, sex, or any other classification.

- We maintain high employee retention rates both on board and ashore and work to facilitate the professional development, continuous training and career advancement of our people.
- We have an annual contract with an international organization covering 24/7 all seamen onboard the vessels medically and psychologically.
- Our community investment activities focus on, but are not limited to, supporting vulnerable groups and youth education in Greece.

Governance

We apply corporate governance best practices, adhere to high ethical principles and ensure the high commercial performance of our fleet.

- The Company is governed by a diverse and experienced, majority independent Board of Directors.
- We have a transparent Code of Business Conduct & Ethics and Anti-Fraud Policy in place.
- We implement strong internal controls structured to ensure robust risk management.
- We continuously cultivate an open reporting culture with respect to any violations of the Code of Ethics.
- During 2022, we established an ESG Committee at Board level to guide and support the company’s ESG strategy.
- Our Company uses advanced Enterprise Resource Planning and Business Intelligence systems to streamline operations and facilitate effective decision-making. We continuously upgrade and enhance our cybersecurity systems, processes, and policies to protect our company from cyber risks, both in the office and on our vessels.

Environmental and Other Regulations

Government regulation and laws significantly affect the ownership and operation of our fleet. We are subject to international conventions and treaties, national, state and local laws and regulations in force in the countries in which our vessels may operate or are registered relating to safety and health and environmental protection including the storage, handling, emission, transportation and discharge of hazardous and non-hazardous materials, and the remediation of contamination and liability for damage to natural resources. Compliance with such laws, regulations and other requirements entails significant expense, including vessel modifications and implementation of certain operating procedures.

A variety of government and private entities subject our vessels to both scheduled and unscheduled inspections. These entities include the local port authorities (applicable national authorities such as the United States Coast Guard, or USCG, harbor master or equivalent), classification societies, flag state administrations (countries of registry), terminal operators and charterers. Certain of these entities require us to obtain permits, licenses, certificates and other authorizations for the operation of our vessels. Failure to maintain necessary permits or approvals could require us to incur substantial costs or result in the temporary suspension of the operation of one or more of our vessels.

Increasing environmental concerns have created a demand for vessels that conform to stricter environmental standards. We are required to maintain operating standards for all of our vessels that emphasize operational safety, quality maintenance, continuous training of our officers and crews and compliance with United States and international regulations. We believe that the operation of our vessels is in substantial compliance with applicable environmental laws and regulations and that our vessels have all material permits, licenses, certificates or other authorizations necessary for the conduct of our operations. However, because such laws and regulations frequently change and may impose increasingly stricter requirements, we cannot predict the ultimate cost of complying with these requirements, or the impact of these requirements on the resale value or useful lives of our vessels. In addition, a future serious marine incident that causes significant adverse environmental impact could result in additional legislation or regulation that could negatively affect our profitability.

International Maritime Organization

The IMO, the United Nations agency for maritime safety and the prevention of pollution by vessels, has adopted the International Convention for the Prevention of Pollution from Ships, 1973, as modified by the Protocol of 1978 relating thereto, collectively referred to as MARPOL 73/78 and herein as MARPOL, the International Convention for the Safety of Life at Sea of 1974, or SOLAS Convention, the International Convention on Standards of Training, Certification and Watchkeeping for Seafarers, or STCW, and the International Convention on Load Lines of 1966, or LL Convention. MARPOL establishes environmental standards relating to oil leakage or spilling, garbage management, sewage, air emissions, the handling and disposal of noxious liquids and the handling of harmful substances in packaged forms. MARPOL is applicable to dry bulk, tanker and LNG carriers, among other vessels, and is broken into six Annexes, each of which regulates a different source of pollution. Annex I relates to oil leakage or spilling; Annexes II and III relate to harmful substances carried in bulk in liquid or in packaged form, respectively; Annexes IV and V relate to sewage and garbage management, respectively; and Annex VI, lastly, relates to air emissions. Annex VI was separately adopted by the IMO in September of 1997.

In 2013, the IMO's Marine Environmental Protection Committee, or the MEPC, adopted a resolution amending MARPOL Annex I Condition Assessment Scheme, or CAS. These amendments became effective on October 1, 2014 and require compliance with the 2011 International Code on the Enhanced Programme of Inspections during Surveys of Bulk Carriers and Oil Tankers, or ESP Code, which provides for enhanced inspection programs. We may need to make certain financial expenditures to comply with these amendments.

Air Emissions

In September of 1997, the IMO adopted Annex VI to MARPOL to address air pollution from vessels. Effective May 2005, Annex VI sets limits on sulfur oxide and nitrogen oxide emissions from all commercial vessel exhausts and prohibits "deliberate emissions" of ozone depleting substances (such as halons and chlorofluorocarbons), emissions of volatile compounds from cargo tanks, and the shipboard incineration of specific substances. Annex VI also includes a global cap on the sulfur content of fuel oil and allows for special areas to be established with more stringent controls on sulfur emissions, as explained below. Emissions of "volatile organic compounds" from certain vessels, and the shipboard incineration (from incinerators installed after January 1, 2000) of certain substances (such as polychlorinated biphenyls, or PCBs) are also prohibited. We believe that all our vessels are currently compliant in all material respects with these regulations.

The MEPC adopted amendments to Annex VI regarding emissions of sulfur oxide, nitrogen oxide, particulate matter and ozone depleting substances, which entered into force on July 1, 2010. The amended Annex VI seeks to further reduce air pollution by, among other things, implementing a progressive reduction of the amount of sulfur contained in any fuel oil used on board ships. Effective January 1, 2020, there has been a global limit of 0.5% m/m sulfur oxide emissions (reduced from 3.50%). This limitation can be met by using low-sulfur compliant fuel oil, alternative fuels, or certain exhaust gas cleaning systems. Ships are required to obtain bunker delivery notes and International Air Pollution Prevention, or IAPP, Certificates from their flag states that specify sulfur content. Additionally, at MEPC 73, amendments to Annex VI to prohibit the carriage of bunkers above 0.5% sulfur on ships became effective on March 1, 2020. Additional amendments to Annex VI revising, among other terms, the definition of "Sulphur content of fuel oil" and "low-flashpoint fuel" and pertaining to the sampling and testing of onboard fuel oil, will become effective in 2022. These regulations subject ocean-going vessels to stringent emissions controls and may cause us to incur substantial costs.

Sulfur content standards are even stricter within certain “Emission Control Areas,” or ECAs. As of January 1, 2015, ships operating within an ECA were not permitted to use fuel with sulfur content in excess of 0.1%. Amended Annex VI establishes procedures for designating new ECAs. Currently, the IMO has designated four ECAs, including specified portions of the Baltic Sea area, North Sea area, North American area and United States Caribbean Sea area. Recently at the MEPC78, the IMO approved a proposal for a new ECA in the Mediterranean to apply from 1 July 2025 such that the sulfur content of marine fuels does not exceed 0.1%. Ocean-going vessels in these areas are subject to stringent emission controls and may cause us to incur additional costs. If other ECAs are approved by the IMO, or other new or more stringent requirements relating to emissions from marine diesel engines or port operations by vessels are adopted by the U.S. Environmental Protection Agency, or EPA, or the states where we operate, compliance with these regulations could entail significant capital expenditures or otherwise increase the costs of our operations.

Amended Annex VI also establishes new tiers of stringent nitrogen oxide emissions standards for marine diesel engines, depending on their date of installation. Now Annex VI provides for a three-tier reduction in NOx emissions from marine diesel engines, with the final tier (or Tier III) to apply to engines installed on vessels constructed on or after January 1, 2016 and which operate in the North American ECA or the U.S. Caribbean Sea ECA as well as ECAs designated in the future by the IMO. At MEPC 70 and MEPC 71, the MEPC approved the North Sea and Baltic Sea as ECAs for nitrogen oxide for ships built after January 1, 2021. The EPA promulgated equivalent (and in some senses stricter) emissions standards in late 2009. Additionally, amendments to Annex II, which strengthen discharge requirements for cargo residues and tank washings in specified sea areas (including North West European waters, Baltic Sea area, Western European waters and Norwegian Sea), came into effect in January 2021.

Regulation 22A of MARPOL Annex VI became effective as of March 1, 2018 and requires ships above 5,000 gross tonnage to collect and report annual data on fuel oil consumption to an IMO database, with the first year of data collection commencing on January 1, 2019. The IMO intends to use such data as the first step in its roadmap (through 2023) for developing its strategy to reduce greenhouse gas emissions from ships, as discussed further below.

MARPOL mandates certain measures relating to energy efficiency for ships. All ships are now required to develop and implement Ship Energy Efficiency Management Plans, or SEEMPS, and new ships must be designed in compliance with minimum energy efficiency levels per capacity mile as defined by the Energy Efficiency Design Index, or EEDI. Under these measures, by 2025, all new ships built will be 30% more energy efficient than those built in 2014.

We may incur costs to comply with these revised standards. Additional or new conventions, laws and regulations may be adopted that could require the installation of expensive emission control systems and could adversely affect our business, results of operations, cash flows and financial condition.

Safety Management System Requirements

The SOLAS Convention was amended to address the safe manning of vessels and emergency training drills. The Convention of Limitation of Liability for Maritime Claims, or the LLMC, sets limitations of liability for a loss of life or personal injury claim or a property claim against ship owners. We believe that our vessels are in substantial compliance with SOLAS and LLMC standards.

Under Chapter IX of the SOLAS Convention, or the International Safety Management Code for the Safe Operation of Ships and for Pollution Prevention, or the ISM Code, our operations are also subject to environmental standards and requirements. The ISM Code requires the party with operational control of a vessel to develop an extensive safety management system that includes, among other things, the adoption of a safety and environmental protection policy setting forth instructions and procedures for operating its vessels safely and describing procedures for responding to emergencies. We rely upon the safety management system that we and our technical management team have developed for compliance with the ISM Code. The failure of a vessel owner or bareboat charterer to comply with the ISM Code may subject such party to increased liability, may decrease available insurance coverage for the affected vessels and may result in a denial of access to, or detention in, certain ports.

The ISM Code requires that vessel operators obtain a safety management certificate for each vessel they operate. This certificate evidences compliance by a vessel's management with the ISM Code requirements for a safety management system. No vessel can obtain a safety management certificate unless its manager has been awarded a document of compliance, issued by each flag state, under the ISM Code. We have obtained applicable documents of compliance for our offices and safety management certificates for all of our vessels for which the certificates are required by the IMO. The document of compliance and safety management certificate are renewed as required.

Amendments to the SOLAS Convention Chapter VII apply to vessels transporting dangerous goods and require those vessels be in compliance with the International Maritime Dangerous Goods Code, or IMDG Code. Effective January 1, 2018, the IMDG Code includes (1) updates to the provisions for radioactive material, reflecting the latest provisions from the International Atomic Energy Agency, (2) new marking, packing and classification requirements for dangerous goods, and (3) new mandatory training requirements. Amendments to the IMDG Code relating to segregation requirements for certain substances, and classification and transport of carbon, following incidents involving the spontaneous ignition of charcoal, came into effect in June 2022.

The IMO has also adopted the International Convention on Standards of Training, Certification and Watchkeeping for Seafarers, or STCW. As of February 2017, all seafarers are required to meet the STCW standards and be in possession of a valid STCW certificate. Flag states that have ratified SOLAS and STCW generally employ the classification societies, which have incorporated SOLAS and STCW requirements into their class rules, to undertake surveys to confirm compliance.

Furthermore, recent actions by the IMO's Maritime Safety Committee and United States agencies indicate that cybersecurity regulations for the maritime industry are likely to be further developed in the near future in an attempt to combat cybersecurity threats. For example, effective January 2021, cyber-risk management systems must be incorporated by shipowners and managers. This might cause companies to create additional procedures for monitoring cybersecurity, which could require additional expenses and/or capital expenditures. The impact of such regulations is hard to predict at this time.

Pollution Control and Liability Requirements

The IMO has negotiated international conventions that impose liability for pollution in international waters and the territorial waters of the signatories to such conventions. For example, the IMO adopted the International Convention for the Control and Management of Ships' Ballast Water and Sediments, or the BWM Convention, in 2004. The BWM Convention entered into force on September 9, 2017. The BWM Convention requires ships to manage their ballast water to remove, render harmless, or avoid the uptake or discharge of new or invasive aquatic organisms and pathogens within ballast water and sediments. The BWM Convention's implementing regulations call for a phased introduction of mandatory ballast water exchange requirements, to be replaced in time with mandatory concentration limits, and require all ships to carry a ballast water record book and an international ballast water management certificate.

Specifically, ships over 400 gross tons generally must comply with a "D-1 standard," requiring the exchange of ballast water only in open seas and away from coastal waters. The "D-2 standard" specifies the maximum amount of viable organisms allowed to be discharged, and compliance dates vary depending on the IOPP renewal dates. For most ships, compliance with the D-2 standard will involve installing on-board systems to treat ballast water and eliminate unwanted organisms. Ballast Water Management systems (or BWMS), which include systems that make use of chemical, biocides, organisms or biological mechanisms, or which alter the chemical or physical characteristics of the Ballast Water, must be approved in accordance with IMO Guidelines (Regulation D-3). Pursuant to the BWM Convention amendments that entered into force in October 2019, BWMS installed on or after October 28, 2020 shall be approved in accordance with BWMS Code, while BWMS installed before October 23, 2020 must be approved taking into account guidelines developed by the IMO or the BWMS Code. Costs of compliance with these regulations may be substantial. The cost of compliance could increase for ocean carriers and may have a material effect on our operations. However, many countries already regulate the discharge of ballast water carried by vessels from country to country to prevent the introduction of invasive and harmful species via such discharges. The U.S., for example, requires vessels entering its waters from another country to conduct mid-ocean ballast exchange, or undertake some alternate measure, and to comply with certain reporting requirements. Amendments to the BWM Convention concerning commissioning testing of BWMS became effective in June 2022.

The IMO also adopted the International Convention on Civil Liability for Bunker Oil Pollution Damage, or the Bunker Convention, to impose strict liability on ship owners (including the registered owner, bareboat charterer, manager or operator) for pollution damage in jurisdictional waters of ratifying states caused by discharges of bunker fuel. The Bunker Convention requires registered owners of ships over 1,000 gross tons to maintain insurance for pollution damage in an amount equal to the limits of liability under the applicable national or international limitation regime (but not exceeding the amount calculated in accordance with the LLMC). With respect to non-ratifying states, liability for spills or releases of oil carried as fuel in ship's bunkers typically is determined by the national or other domestic laws in the jurisdiction where the events or damages occur.

Ships are required to maintain a certificate attesting that they maintain adequate insurance to cover an incident. In jurisdictions such as the United States where the Bunker Convention has not been adopted, various legislative schemes or common law govern, and liability is imposed either on the basis of fault or on a strict-liability basis.

Anti-Fouling Requirements

In 2001, the IMO adopted the International Convention on the Control of Harmful Anti-fouling Systems on Ships, or the "Anti-fouling Convention." The Anti-fouling Convention entered into force in September 2008 and prohibits the use of organotin compound coatings to prevent the attachment of mollusks and other sea life to the hulls of vessels. Vessels of over 400 gross tons engaged in international voyages will also be required to undergo an initial survey before the vessel is put into service or before an International Anti-fouling System Certificate is issued for the first time; and subsequent surveys when the anti-fouling systems are altered or replaced. In 2023, amendments to the Anti-fouling Convention came into effect which include controls on the biocide cybutryne; ships shall not apply or re-apply anti-fouling systems containing this substance from January 1, 2023. We have obtained Anti-fouling System Certificates for all of our vessels that are subject to the Anti-fouling Convention.

Compliance Enforcement

Noncompliance with the ISM Code or other IMO regulations may subject the ship owner or bareboat charterer to increased liability, may lead to decreases in available insurance coverage for affected vessels and may result in the denial of access to, or detention in, some ports. The USCG and European Union authorities have indicated that vessels not in compliance with the ISM Code by applicable deadlines will be prohibited from trading in U.S. and European Union ports, respectively. As of the date of this report, each of our vessels is ISM Code certified. However, there can be no assurance that such certificates will be maintained in the future. The IMO continues to review and introduce new regulations. It is impossible to predict what additional regulations, if any, may be passed by the IMO and what effect, if any, such regulations might have on our operations.

United States Regulations

The U.S. Oil Pollution Act of 1990 and the Comprehensive Environmental Response, Compensation and Liability Act

The U.S. Oil Pollution Act of 1990, or OPA, established an extensive regulatory and liability regime for the protection and clean-up of the environment from oil spills. OPA affects all “owners and operators” whose vessels trade or operate within the U.S., its territories and possessions or whose vessels operate in U.S. waters, which includes the U.S.’s territorial sea and its 200 nautical mile exclusive economic zone around the U.S. The U.S. has also enacted the Comprehensive Environmental Response, Compensation and Liability Act, or CERCLA, which applies to the discharge of hazardous substances other than oil, except in limited circumstances, whether on land or at sea. OPA and CERCLA both define “owner and operator” in the case of a vessel as any person owning, operating or chartering by demise, the vessel. Both OPA and CERCLA impact our operations.

Under OPA, vessel owners and operators are “responsible parties” and are jointly, severally and strictly liable (unless the spill results solely from the act or omission of a third party, an act of God or an act of war) for all containment and clean-up costs and other damages arising from discharges or threatened discharges of oil from their vessels, including bunkers (fuel). OPA defines these other damages broadly to include:

- (i) injury to, destruction or loss of, or loss of use of, natural resources and related assessment costs;
- (ii) injury to, or economic losses resulting from, the destruction of real and personal property;
- (iii) loss of subsistence use of natural resources that are injured, destroyed or lost;
- (iv) net loss of taxes, royalties, rents, fees or net profit revenues resulting from injury, destruction or loss of real or personal property, or natural resources;
- (v) lost profits or impairment of earning capacity due to injury, destruction or loss of real or personal property or natural resources; and
- (vi) net cost of increased or additional public services necessitated by removal activities following a discharge of oil, such as protection from fire, safety or health hazards, and loss of subsistence use of natural resources.

OPA contains statutory caps on liability and damages; such caps do not apply to direct clean-up costs. On December 23, 2022, the USCG adjusted the limits of OPA liability for non-tank vessels, edible oil tank vessels, and any oil spill response vessels, to the greater of \$1,300 per gross ton or \$1,076,000 (subject to periodic adjustment for inflation). These limits of liability do not apply if an incident was proximately caused by the violation of an applicable U.S. federal safety, construction or operating regulation by a responsible party (or its agent, employee or a person acting pursuant to a contractual relationship), or a responsible party’s gross negligence or willful misconduct. The limitation on liability similarly does not apply if the responsible party fails or refuses to (i) report the incident where the responsible party knows or has reason to know of the incident; (ii) reasonably cooperate and assist as requested in connection with oil removal activities; or (iii) without sufficient cause, comply with an order issued under the Federal Water Pollution Act (Section 311 (c), (e)) or the Intervention on the High Seas Act.

CERCLA contains a similar liability regime whereby owners and operators of vessels are liable for clean-up, removal and remedial costs, as well as damages for injury to, or destruction or loss of, natural resources, including the reasonable costs associated with assessing the same, and health assessments or health effects studies. There is no liability if the discharge of a hazardous substance results solely from the act or omission of a third party, an act of God or an act of war. Liability under CERCLA is limited to the greater of \$300 per gross ton or \$5.0 million for vessels carrying a hazardous substance as cargo and the greater of \$300 per gross ton or \$500,000 for any other vessel. These limits do not apply (rendering the responsible person liable for the total cost of response and damages) if the release or threat of release of a hazardous substance resulted from willful misconduct or negligence, or the primary cause of the release was a violation of applicable safety, construction or operating standards or regulations. The limitation on liability also does not apply if the responsible person fails or refused to provide all reasonable cooperation and assistance as requested in connection with response activities where the vessel is subject to OPA.

OPA and CERCLA each preserve the right to recover damages under existing law, including maritime tort law. OPA and CERCLA both require owners and operators of vessels to establish and maintain with the USCG evidence of financial responsibility sufficient to meet the maximum amount of liability to which the particular responsible person may be subject. Vessel owners and operators may satisfy their financial responsibility obligations by providing a proof of insurance, a surety bond, qualification as a self-insurer or a guarantee. We comply and plan to comply going forward with the USCG's financial responsibility regulations by providing applicable certificates of financial responsibility.

The 2010 *Deepwater Horizon* oil spill in the Gulf of Mexico resulted in additional regulatory initiatives or statutes, including higher liability caps under OPA, new regulations regarding offshore oil and gas drilling, and a pilot inspection program for offshore facilities. However, several of these initiatives and regulations have been or may be revised. For example, the U.S. Bureau of Safety and Environmental Enforcement's, or BSEE, revised Production Safety Systems Rule, or PSSR, effective December 27, 2018, modified and relaxed certain environmental and safety protections under the 2016 PSSR. Additionally, the BSEE released a final Well Control Rule, which eliminated a number of provisions which could affect offshore drilling operations. In 2022, revisions to the Well Control Rule were proposed which may affect offshore drilling operations and cause us to incur additional costs to comply. Compliance with any new requirements of OPA and future legislation or regulations applicable to the operation of our vessels could negatively impact the cost of our operations and adversely affect our business.

OPA specifically permits individual states to impose their own liability regimes with regard to oil pollution incidents occurring within their boundaries, provided they accept, at a minimum, the levels of liability established under OPA and some states have enacted legislation providing for unlimited liability for oil spills. Many U.S. states that border a navigable waterway have enacted environmental pollution laws that impose strict liability on a person for removal costs and damages resulting from a discharge of oil or a release of a hazardous substance. These laws may be more stringent than U.S. federal law. Moreover, some states have enacted legislation providing for unlimited liability for discharge of pollutants within their waters, although in some cases, states which have enacted this type of legislation have not yet issued implementing regulations defining vessel owners' responsibilities under these laws. The Company intends to comply with all applicable state regulations in the ports where the Company's vessels call.

We currently maintain pollution liability coverage insurance in the amount of \$1 billion per incident for each of our vessels. If the damages from a catastrophic spill were to exceed our insurance coverage, that could have an adverse effect on our business and results of operation.

Other United States Environmental Initiatives

The U.S. Clean Air Act of 1970 (including its amendments of 1977 and 1990), or CAA, requires the EPA to promulgate standards applicable to emissions of volatile organic compounds and other air contaminants. The CAA requires states to adopt State Implementation Plans, or SIPs, some of which regulate emissions resulting from vessel loading and unloading operations which may affect our vessels.

The U.S. Clean Water Act, or CWA, prohibits the discharge of oil, hazardous substances and ballast water in U.S. navigable waters unless authorized by a duly issued permit or exemption, and imposes strict liability in the form of penalties for any unauthorized discharges. The CWA also imposes substantial liability for the costs of removal, remediation and damages and complements the remedies available under OPA and CERCLA. In 2015, the EPA expanded the definition of "waters of the United States," or WOTUS, thereby expanding federal authority under the CWA. In April 2020, the EPA and Department of the Army published the Navigable Waters Protection Rule to finalize a revised WOTUS definition, which rule became effective in June 2020. However, in light of a court order issued by the U.S. District Court for the District of Arizona on August 30, 2021, the EPA and U.S. Army Corps of Engineers are interpreting WOTUS consistent with the pre-2015 regulatory regime. On December 30, 2022, the EPA and U.S. Army Corps of Engineers announced the final revised WOTUS rule, which was published on January 18, 2023, and will become effective on March 20, 2023. The revised WOTUS rule replaces the 2020 Navigable Waters protection Rule and generally reflects an expansion of the CWA jurisdiction.

The EPA and the USCG have also enacted rules relating to ballast water discharge, compliance with which requires the installation of equipment on our vessels to treat ballast water before it is discharged or the implementation of other port facility disposal arrangements or procedures at potentially substantial costs, and/or otherwise restrict our vessels from entering U.S. Waters. The EPA will regulate these ballast water discharges and other discharges incidental to the normal operation of certain vessels within United States waters pursuant to the Vessel Incidental Discharge Act, or VIDA, which was signed into law on December 4, 2018 and requires that the U.S. Coast Guard develop implementation, compliance, and enforcement regulations regarding ballast water. It intends to replace the VGP scheme and streamline the patchwork of federal, state, and local requirements for the commercial vessel community. The US Environmental Protection Agency, or EPA, has indicated that new federal discharge standards for vessels may be published in autumn 2024. In the meantime, the agency has seemingly strengthened its inspection and enforcement efforts to ensure compliance with the extended VGP scheme and warns that non-compliance can result in significant penalties. The VIDA gave the EPA two years to develop new national discharge standards for vessels and the U.S./ Coast Guard another two years to develop regulations and best management practices to implement and enforce those standards. VIDA also specifies that the provisions of the VGP will continue to apply until EPA and the U.S. Coast Guard publish their final regulations, regardless of how long that takes, and that the permit cannot be modified during that time. On October 26, 2020, the EPA published a Notice of Proposed rulemaking for Vessel Incidental Discharge National Standards of Performance under VIDA, and in November 2020, held virtual public meetings, but a final rule has not been promulgated. Under VIDA, all provisions of the 2013 VGP and USCG ballast water regulations remain in force and effect as currently written until the EPA publishes standards. Several U.S. states have added specific requirements to the Vessel General Permit and, in some cases, may require vessels to install ballast water treatment technology to meet biological performance standards. In addition, several U.S. states have added specific requirements to the VGP, including submission of a Notice of Intent, or NOI, or retention of a PARI form and submission of annual reports. Although EPA did issue a notice of proposed rulemaking in October 2020, a final rule on new discharge standards has still not been promulgated – which also means that a complete replacement scheme for the VGP is still some time away. A recent announcement on the EPA indicates that a final rule on the discharge standards may be ready in the autumn of 2024. Thus, if the USCG spends the full two years to finalise the corresponding enforcement standards, the current 2013 VGP scheme will remain in force until 2026. This rule changes may have financial impact on our vessels and may result in our vessels being banded from calling in US in case compliance issues arise.

European Union Regulations

In October 2009, the European Union amended a directive to impose criminal sanctions for illicit ship-source discharges of polluting substances, including minor discharges, if committed with intent, recklessly or with serious negligence and the discharges individually or in the aggregate result in deterioration of the quality of water. Aiding and abetting the discharge of a polluting substance may also lead to criminal penalties. The directive applies to all types of vessels, irrespective of their flag, but certain exceptions apply to warships or where human safety or that of the ship is in danger. Criminal liability for pollution may result in substantial penalties or fines and increased civil liability claims. Regulation (EU) 2015/757 of the European Parliament and of the Council of 29 April 2015 (amended by Regulation (EU) 2016/2071 with respect to methods of calculating, inter alia, emission and consumption) governs the monitoring, reporting and verification of carbon dioxide emissions from maritime transport, and, subject to some exclusions, requires companies with ships over 5,000 gross tonnage to monitor and report carbon dioxide emissions annually, which may cause us to incur additional expenses. As of January 2019, large ships calling at EU ports have been required to collect and publish data on carbon dioxide emissions and other information. The system entered into force on 1 March 2018. July 2020 saw the European Parliament's Committee on Environment, Public Health and Food Safety vote in favor of the inclusion of vessels of 5,000 gross tons and above in the EU Emissions Trading System (in addition to voting for a revision to the monitoring, reporting and verification of CO2 emissions). In September 2020, the European Parliament adopted the proposal from the European Commission to amend the regulation on monitoring carbon dioxide emissions from maritime transport.

On July 14, 2021, the European Commission published a package of draft proposals as part of its 'Fit for 55' environmental legislative agenda and as part of the wider EU Green Deal growth strategy (the "Proposals"). There are two key initiatives relevant to maritime arising from the Proposals: (a) a bespoke emissions trading scheme for the maritime sector (Maritime ETS) which is due to commence in 2024 and which is to apply to all ships above a gross tonnage of 5,000; and (b) a FuelEU draft regulation which seeks to require all ships above a gross tonnage of 5,000 to carry on board a 'FuelEU certificate of compliance' from 30 June 2025 as evidence of compliance with the limits on the greenhouse gas intensity of the energy used on-board by a ship and with the requirements on the use of on-shore power supply (OPS) at berth. More specifically, Maritime ETS is to apply gradually over the period from 2024-2026. In 2025 shipping companies would have to surrender 40% of ETS allowances for 2024 emissions; in 2026 shipping companies would have to surrender 70% of ETS allowances for the 2025 emissions and 100% in 2027 for 2026 emissions. The cap under the ETS would be set by taking into account EU MRV system emissions data for the years 2018 and 2019, adjusted, from year 2021 and is to capture 100% of the emissions from intra-EU maritime voyages; 100% of emissions from ships at berth in EU ports; and 50% of emissions from voyages which start or end at EU ports (but the other destination is outside the EU). More recent proposed amendments signal that 100% of non-EU emissions may be caught if the IMO does not introduce a global market-based measure by 2028. Furthermore, the proposals envisage that all maritime allowances would be auctioned and there will be no free allocation. Whilst the ETS legal text has been agreed and is subject to formal adoption and publication, FuelEU Maritime proposal is still being negotiated and final drafts are expected later in 2023.

Responsible recycling and scrapping of ships is becoming an increasingly important issue for shipowners and charterers alike as the industry strives to replace old ships with cleaner, more energy efficient models. The recognition of the need to impose recycling obligations on the shipping industry is not new. In 2009, the IMO oversaw the creation of the Hong Kong Ship Recycling Convention (the "Hong Kong Convention"), which sets standards for ship recycling. Concerned at the lack of progress in satisfying the conditions needed to bring the Hong Kong Convention into force, the EU published its own Ship Recycling Regulation 1257/2013 (SRR) in 2013, with a view to facilitating early ratification of the Hong Kong Convention both within the EU and in other countries outside the EU. As the Hong Kong Convention has yet to come into force, the 2013 regulations are vital to responsible ship recycling in the EU. SRR requires that, from 31 December 2020, all existing ships sailing under the flag of EU member states and non-EU flagged ships calling at an EU port or anchorage must carry on-board an Inventory of Hazardous Materials (IHM) with a certificate or statement of compliance, as appropriate. For EU-flagged vessels, a certificate (either an Inventory Certificate or Ready for Recycling Certificate) will be necessary, while non-EU flagged vessels will need a Statement of Compliance.

The European Union has adopted several regulations and directives requiring, among other things, more frequent inspections of high-risk ships, as determined by type, age, and flag as well as the number of times the ship has been detained. The European Union also adopted and extended a ban on substandard ships and enacted a minimum ban period and a definitive ban for repeated offenses. The regulation also provided the European Union with greater authority and control over classification societies, by imposing more requirements on classification societies and providing for fines or penalty payments for organizations that failed to comply. Furthermore, the EU has implemented regulations requiring vessels to use reduced sulfur content fuel for their main and auxiliary engines. Since January 1, 2015, vessels have been required to burn fuel with sulfur content not exceeding 0.1% while within EU member states' territorial seas, exclusive economic zones and pollution control zones that are included in "SOx Emission Control Areas." EU Directive (EU) 2016/802 establishes limits on the maximum sulfur content of gas oils and heavy fuel oil and contains fuel-specific requirements for ships calling at EU ports.

EU Directive 2004/35/CE (as amended) regarding the prevention and remedying of environmental damage addresses liability for environmental damage (including damage to water, land, protected species and habitats) on the basis of the "polluter pays" principle. Operators whose activities caused the environmental damage are liable for the damage (subject to certain exceptions). With regard to specified activities causing environmental damage, operators are strictly liable. The directive applies where damage has already occurred and where there is an imminent threat of damage. The directive requires preventative and remedial actions, and that operators report environmental damage or an imminent threat of such damage.

International Labor Organization

The International Labor Organization, or the ILO, is a specialized agency of the UN that has adopted the Maritime Labor Convention 2006, or MLC 2006. A Maritime Labor Certificate and a Declaration of Maritime Labor Compliance is required to ensure compliance with the MLC 2006 for all ships above 500 gross tons in international trade. We believe that all our vessels are in substantial compliance with and are certified to meet MLC 2006.

Greenhouse Gas Regulation

Currently, the emissions of greenhouse gases from international shipping are not subject to the Kyoto Protocol to the United Nations Framework Convention on Climate Change (this task having been delegated to the IMO), which entered into force in 2005 and pursuant to which adopting countries have been required to implement national programs to reduce greenhouse gas emissions with targets extended through 2020. International negotiations are continuing with respect to a successor to the Kyoto Protocol, and restrictions on shipping emissions may be included in any new treaty. In December 2009, more than 27 nations, including the U.S. and China, signed the Copenhagen Accord, which includes a non-binding commitment to reduce greenhouse gas emissions. The 2015 United Nations Climate Change Conference in Paris resulted in the Paris Agreement, which entered into force on November 4, 2016 and does not directly limit greenhouse gas emissions from ships. The United States rejoined the Paris Agreement in February 2021.

At MEPC 70 and MEPC 71, a draft outline of the structure of the initial strategy for developing a comprehensive IMO strategy on reduction of greenhouse gas emissions from ships was approved. In accordance with this roadmap, in April 2018, nations at the MEPC 72 adopted an initial strategy to reduce greenhouse gas emissions from ships. The initial strategy identifies "levels of ambition" to reducing greenhouse gas emissions, including (1) decreasing the carbon intensity from ships through implementation of further phases of the Energy-Efficiency Design Index for new ships (while the Ship Energy-Efficiency Management Plan is mandatory for all vessels); (2) reducing carbon dioxide emissions per transport work, as an average across international shipping, by at least 40% by 2030, pursuing efforts towards 70% by 2050, compared to 2008 emission levels; and (3) reducing the total annual greenhouse emissions by at least 50% by 2050 compared to 2008 while pursuing efforts towards phasing them out entirely. The initial strategy notes that technological innovation, alternative fuels and/or energy sources for international shipping will be integral to achieve the overall ambition. These regulations could cause us to incur additional substantial expenses.

At MEPC 70 in October 2016, a mandatory data collection system (DCS) was adopted which requires ships above 5,000 gross tons to report consumption data for fuel oil, hours under way and distance travelled. Unlike the EU MRV (see below), the IMO DCS covers any maritime activity carried out by ships, including dredging, pipeline laying, ice-breaking, fish-catching and off-shore installations. The SEEMPs of all ships covered by the IMO DCS must include a description of the methodology for data collection and reporting. After each calendar year, the aggregated data are reported to the flag state. If the data have been reported in accordance with the requirements, the flag state issues a statement of compliance to the ship. Flag states subsequently transfer this data to an IMO ship fuel oil consumption database, which is part of the Global Integrated Shipping Information System (GISIS) platform. IMO will then produce annual reports, summarizing the data collected. Thus, currently, data related to the GHG emissions of ships above 5,000 gross tons calling at ports in the European Economic Area (EEA) must be reported in two separate, but largely overlapping, systems: the EU MRV – which applies since 2018 – and the IMO DCS – which applies since 2019. The proposed revision of Regulation (EU) 2015/757 adopted on 4 February 2019 aims to align and facilitate the simultaneous implementation of the two systems however it is still not clear when the proposal will be adopted.

IMO's MEPC 76 adopted amendments to MARPOL Annex VI that will require ships to reduce their greenhouse gas emissions. Effective from January 1, 2023, the Revised MARPOL Annex VI includes carbon intensity measures (requirements for ships to calculate their Energy Efficiency Existing Ship Index (EEXI) following technical means to improve their energy efficiency and to establish their annual operational carbon intensity indicator and rating). MEPC 76 also adopted guidelines to support implementation of the amendments.

In 2021, the EU adopted a European Climate Law (Regulation (EU) 2021/1119), establishing the aim of reaching net zero greenhouse gas emissions in the EU by 2050, with an intermediate target of reducing greenhouse gas emissions by at least 55% by 2030, compared to 1990 levels. In July 2021, the European Commission launched the “Fit for 55” (described above) to support the climate policy agenda. As of January 2019, large ships calling at EU ports have been required to collect and publish data on carbon dioxide emissions and other information.

In the United States, the EPA issued a finding that greenhouse gases endanger the public health and safety, adopted regulations to limit greenhouse gas emissions from certain mobile sources, and proposed regulations to limit greenhouse gas emissions from large stationary sources. The EPA or individual U.S. states could enact environmental regulations that could negatively affect our operations.

Any passage of climate control legislation or other regulatory initiatives by the IMO, the EU, the U.S. or other countries where we operate, or any treaty adopted at the international level to succeed the Kyoto Protocol or Paris Agreement, that restricts emissions of greenhouse gases could require us to make significant expenditures which we cannot predict with certainty at this time. Even in the absence of climate control legislation, our business may be indirectly affected to the extent that climate change may result in sea level changes or certain weather events.

Vessel Security Regulations

Since the terrorist attacks of September 11, 2001 in the United States, there have been a variety of initiatives intended to enhance vessel security such as the U.S. Maritime Transportation Security Act of 2002, or MTSA. To implement certain portions of the MTSA, the USCG issued regulations requiring the implementation of certain security requirements aboard vessels operating in waters subject to the jurisdiction of the United States and at certain ports and facilities, some of which are regulated by the EPA.

Similarly, Chapter XI-2 of the SOLAS Convention imposes detailed security obligations on vessels and port authorities and mandates compliance with the International Ship and Port Facilities Security Code, or the ISPS Code. The ISPS Code is designed to enhance the security of ports and ships against terrorism. To trade internationally, a vessel must attain an International Ship Security Certificate, or ISSC, from a recognized security organization approved by the vessel's flag state. Ships operating without a valid certificate may be detained, expelled from, or refused entry at port until they obtain an ISSC. The various requirements, some of which are found in the SOLAS Convention, include, for example, on-board installation of automatic identification systems to provide a means for the automatic transmission of safety-related information from among similarly equipped ships and shore stations, including information on a ship's identity, position, course, speed and navigational status; on-board installation of ship security alert systems, which do not sound on the vessel but only alert the authorities on shore; the development of vessel security plans; ship identification number to be permanently marked on a vessel's hull; a continuous synopsis record kept onboard showing a vessel's history including the name of the ship, the state whose flag the ship is entitled to fly, the date on which the ship was registered with that state, the ship's identification number, the port at which the ship is registered and the name of the registered owner(s) and their registered address; and compliance with flag state security certification requirements.

The USCG regulations, intended to align with international maritime security standards, exempt non-U.S. vessels from MTSA vessel security measures, provided such vessels have on board a valid ISSC that attests to the vessel's compliance with the SOLAS Convention security requirements and the ISPS Code. Future security measures could have a significant negative financial impact on us. We intend to comply with the various security measures addressed by MTSA, the SOLAS Convention and the ISPS Code.

The cost of vessel security measures has also been affected by the escalation in the frequency of acts of piracy against ships, notably off the coast of Somalia, including the Gulf of Aden and Arabian Sea area. Substantial loss of revenue and other costs may be incurred as a result of detention of a vessel or additional security measures, and the risk of uninsured losses could significantly and negatively affect our business. Costs may be incurred in taking additional security measures in accordance with Best Management Practices to Deter Piracy, notably those contained in the BMP5 industry standard.

Inspection by Classification Societies

The hull and machinery of every commercial vessel must be classed by a classification society authorized by its country of registry. The classification society certifies that a vessel is safe and seaworthy in accordance with the applicable rules and regulations of the country of registry of the vessel and SOLAS. Most insurance underwriters make it a condition for insurance coverage and lending that a vessel be certified “in class” by a classification society which is a member of the International Association of Classification Societies, the IACS. The IACS has adopted harmonized Common Structural Rules, or the Rules, which apply to oil tankers and bulk carriers constructed on or after July 1, 2015. The Rules attempt to create a level of consistency between IACS Societies. All of our vessels are certified as being “in class” by all the applicable Classification Societies (e.g., American Bureau of Shipping, DNV, Lloyd's Register of Shipping, Bureau Veritas).

A vessel must undergo annual surveys, intermediate surveys, dry-dockings and special surveys. In lieu of a special survey, a vessel's machinery may be on a continuous survey cycle, under which the machinery would be surveyed periodically over a five-year period. Every vessel is also required to be drydocked every 30 to 36 months for inspection of the underwater parts of the vessel. If any vessel does not maintain its class and/or fails any annual survey, intermediate survey, drydocking or special survey, the vessel will be unable to carry cargo between ports and will be unemployable and uninsurable which could cause us to be in violation of certain covenants in our loan agreements. Any such inability to carry cargo or be employed, or any such violation of covenants, could have a material adverse impact on our financial condition and results of operations.

Risk of Loss and Liability Insurance

General

The operation of any cargo vessel includes risks such as mechanical failure, physical damage, collision, property loss, cargo loss or damage and business interruption due to political circumstances in foreign countries, piracy incidents, hostilities and labor strikes. In addition, there is always an inherent possibility of marine disaster, including oil spills and other environmental mishaps, and the liabilities arising from owning and operating vessels in international trade. OPA, which imposes virtually unlimited liability upon shipowners, operators and bareboat charterers of any vessel trading in the exclusive economic zone of the United States for certain oil pollution accidents in the United States, has made liability insurance more expensive for shipowners and operators trading in the United States market. We carry insurance coverage as customary in the shipping industry. However, not all risks can be insured, specific claims may be rejected and we might not be always able to obtain adequate insurance coverage at reasonable rates.

Hull & Machinery and War Risks Insurances

We maintain marine hull and machinery and war risks insurances, which include the risk of actual or constructive total loss, for all of our vessels. Each of our vessels is covered up to at least its fair market value with deductibles of \$150,000 per vessel per incident. We also maintain increased value coverage for our vessels. Under this increased value coverage, in the event of total loss of a vessel, we will be able to recover the sum insured under the increased value policy in addition to the sum insured under the hull and machinery policy. Increased value insurance also covers excess liabilities which are not recoverable under our hull and machinery policy by reason of under insurance.

Protection and Indemnity Insurance

Protection and indemnity insurance, provided by mutual protection and indemnity associations, or P&I Associations, covers our third-party liabilities in connection with our shipping activities. This includes related expenses of injury, illness or death of crew, passengers and other third parties, loss or damage to cargo, claims arising from collisions with other vessels, damage to other third-party property such as fixed and floating objects, pollution arising from oil or other substances, salvage, towing and other related costs, including wreck removal. Protection and indemnity insurance is a form of mutual indemnity insurance, extended by protection and indemnity mutual associations, or "clubs."

Our coverage limit is as per the International Group's rules, where there are standard sub-limits for oil pollution at \$1 billion, passenger liability at \$2 billion and seamen liabilities at \$3 billion. The 12 P&I Associations that comprise the International Group insure approximately 90% of the world's commercial tonnage and have entered into a pooling agreement to reinsure each association's liabilities in excess of each association's own retention of \$10.0 million up to, currently, approximately \$8 billion. As a member of P&I Associations, which are a member of the International Group, we are subject to calls payable to the associations based on our claim records as well as the claim records of all other members of the individual associations and members of the shipping pool of P&I Associations comprising the International Group.

Permits and Authorizations

We are required by various governmental and quasi-governmental agencies to obtain certain permits, licenses and certificates with respect to our vessels. The kinds of permits, licenses and certificates required depend upon several factors, including the commodity transported, the waters in which the vessel operates, the nationality of the vessel's crew and the age of a vessel. We believe that we have obtained all permits, licenses and certificates currently required to permit our vessels to operate as planned. Additional laws and regulations, environmental or otherwise, may be adopted which could limit our ability to do business or increase the cost of us doing business in the future.

C. Organizational Structure

Seanergy Maritime Holdings Corp. is the ultimate parent company of the following wholly owned subsidiaries, either directly or indirectly, as of the date of this annual report:

Subsidiary	Jurisdiction of Incorporation
Seanergy Management Corp.	Republic of the Marshall Islands
Seanergy Shipmanagement Corp.	Republic of the Marshall Islands
Leader Shipping Co.	Republic of the Marshall Islands
Honor Shipping Co.	Republic of the Marshall Islands
Sea Genius Shipping Co.	Republic of the Marshall Islands
Traders Shipping Co.	Republic of the Marshall Islands
Gladiator Shipping Co.	Republic of the Marshall Islands
Premier Marine Co.	Republic of the Marshall Islands
Emperor Holding Ltd.	Republic of the Marshall Islands
Champion Marine Co.	Republic of the Marshall Islands
Fellow Shipping Co.	Republic of the Marshall Islands
Patriot Shipping Co.	Republic of the Marshall Islands
Flag Marine Co.	Republic of the Marshall Islands
World Shipping Co.	Republic of the Marshall Islands
Partner Marine Co.	Republic of the Marshall Islands
Duke Shipping Co.	Republic of the Marshall Islands
Squire Ocean Navigation Co.	Republic of Liberia
Lord Ocean Navigation Co.	Republic of Liberia
Knight Ocean Navigation Co.	Republic of Liberia
Good Ocean Navigation Co.	Republic of Liberia
Hellas Ocean Navigation Co.	Republic of Liberia
Friend Ocean Navigation Co.	Republic of Liberia
Paros Ocean Navigation Co.	Republic of Liberia
Partner Shipping Co. Limited	Malta
Pembroke Chartering Services Limited	Malta
Martinique International Corp.	British Virgin Islands
Harbour Business International Corp.	British Virgin Islands
Maritime Capital Shipping Limited	Bermuda

D. Property, Plants and Equipment

We do not own any real estate property. We maintain our principal executive offices at Glyfada, Greece. Other than our vessels, we do not have any material property. See “Item 4.B. Business Overview - Our Current Fleet” and “Item 5. Operating and Financial Review and Prospects — B. Liquidity and Capital Resources – Loan Arrangements.”

ITEM 4A. UNRESOLVED STAFF COMMENTS

None.

ITEM 5. OPERATING AND FINANCIAL REVIEW AND PROSPECTS

The following discussion of the results of our operations and our financial condition should be read in conjunction with the financial statements and the notes to those statements included in “Item 18. Financial Statements.” This discussion contains forward-looking statements that involve risks, uncertainties, and assumptions. Actual results may differ materially from those anticipated in these forward-looking statements as a result of many factors, including those set forth in “Item 3. Key Information–D. Risk Factors.”

A. Operating Results**Principal Factors Affecting Our Business**

The principal factors that affect our financial position, results of operations and cash flows include the following:

- number of vessels owned and operated;
- voyage charter rates;

- time charter trip rates;
- period time charter rates;
- the nature and duration of our voyage charters;
- vessels repositioning;
- vessel operating expenses and direct voyage costs;
- maintenance and upgrade work;
- the age, condition and specifications of our vessels;
- issuance of our common shares and other securities;
- amount of debt obligations; and
- financing costs related to debt obligations.

We are also affected by the types of charters we enter into. Vessels operating on fixed rate period time charters and bareboat time charters provide more predictable cash flows, but can yield lower profit margins than vessels operating in the spot charter market, either on trip time charters or voyage charters, during periods characterized by favorable market conditions.

Vessels operating in the spot charter or index-linked time charter markets generate revenues that are less predictable, but can yield increased profit margins during periods of improvements in dry bulk rates. Spot charters also expose vessel owners to the risk of declining dry bulk rates and rising fuel costs in case of voyage charters. As of the date of this report, all of the Company's fleet is time chartered on long-term employment arrangements. Out of the sixteen long-term employment agreements in place, three were agreed during 2022 and the remaining eight between 2018 and 2021.

Critical Accounting Policies

Critical accounting policies are those that are both most important to the portrayal of the company's financial condition and results, and require management's most difficult, subjective, or complex judgments, often as a result of the need to make estimates about the effects of matters that are inherently uncertain. We have described in Item 5. Operating and Financial Review and Prospects – E. Critical Accounting Estimates our critical accounting policies, because they potentially result in material different results under different assumptions and conditions. For a description of all our significant accounting policies, see Note 2 to our annual audited financial statements included in this annual report.

Results of Operations
Year ended December 31, 2022 as compared to year ended December 31, 2021
(In thousands of U.S. Dollars, except for share and per share data)

	Year ended December 31,		Change	
	2022	2021	Amount	%
Revenues:				
Vessel revenue, net	122,629	153,108	(30,479)	(20)%
Fees from related parties	2,391	-	2,391	-
Revenue, net	125,020	153,108	(28,088)	(18)%
Expenses:				
Voyage expenses	(4,293)	(16,469)	12,176	(74)%
Vessel operating expenses	(43,550)	(36,332)	(7,218)	20%
Management fees	(1,368)	(1,435)	67	(5)%
General and administration expenses	(17,412)	(13,739)	(3,673)	27%
Depreciation and amortization	(28,297)	(19,944)	(8,353)	42%
Gain on sale of vessel, net	-	697	(697)	(100)%
(Loss) / gain on forward freight agreements, net	(417)	24	(441)	(1,838)%
Operating income	29,683	65,910	(36,227)	(55)%
Other income / (expenses), net:				
Interest and finance costs	(15,332)	(17,779)	2,447	(14)%
Loss on extinguishment of debt	(1,291)	(6,863)	5,572	(81)%
Gain on spin-off of United Maritime Corporation	2,800	-	2,800	-
Other, net	1,351	80	1,271	1,589%
Total other expenses, net:	(12,472)	(24,562)	12,090	(49)%
Net income before income taxes	17,211	41,348	(24,137)	(58)%
Income taxes	28	-	28	-
Net income	17,239	41,348	(24,109)	(58)%
Net income per common share				
Basic	0.97	2.70		
Diluted	0.96	2.50		
Weighted average number of common shares outstanding				
Basic	17,493,033	15,332,191		
Diluted	17,684,048	19,133,753		

Vessel Revenue, Net – The decrease was attributable to the decrease in prevailing charter rates and was partially offset by an increase in operating days. We had 5,905 operating days in 2022, as compared to 4,987 operating days in 2021. We acquired two vessels within 2022 and contributed one of our vessels to United Maritime Corporation as part of the spin-off at the beginning of the third quarter of 2022. The operating days in 2022 were affected by 314 off-hire and repair days compared to 153 days during 2021. The TCE rate decreased by 27% in 2022 to \$20,040, as compared to \$27,399 in 2021. Please see the reconciliation below of TCE rate to net revenues from vessels, the most directly comparable U.S. GAAP measure.

Fees from Related Parties – The fiscal year 2022 amount relates to \$0.6 million of fees regarding the commercial and technical management services provided from Seanergy to United Maritime Corporation and \$1.8 million of fees regarding Seanergy's 1% commission on the contract price of the tankers bought and sold by Seanergy on United's behalf.

Voyage Expenses – The decrease was primarily attributable to the fact (i) that all of the company's vessels were chartered under time charter arrangements in 2022, whereas in 2021, 18% of revenues were from voyage charters for which the Company pays the voyage expenses and (ii) of the decrease in brokerage commissions, consistent with the decrease in total vessel revenues.

Vessel Operating Expenses - The increase was primarily attributable to an increase in ownership days due to the acquisition of two vessels in 2022, the full year effect of the seven vessels acquired between May 2021 through November 2021 and an increase of approximately ten percent in the daily vessel operating expenses compared to 2021 (see table further below). Additionally, crew expenses and spares forwarding costs increased due to inflationary pressures prevail in the market. We had 6,219 ownership days in 2022 as compared to 5,140 ownership days in 2021.

Management Fees - The decrease was attributable to the increase in the number of vessels under in-house management by Seanergy Shipmanagement and Seanergy Management in 2022 compared to 2021.

General and Administration Expenses – The increase is mainly attributable to an increase in staff costs, as the total number of support staff at the end of 2022 were 70 compared to 47 at the end of 2021. Non-cash stock-based compensation amounted to \$7.0 million in 2022 compared to \$4.9 million in 2021.

Depreciation and Amortization – For the year ended December 31, 2022, depreciation and amortization expense increased to \$28.3 million from \$19.9 million in 2021 due to the increase in the average number of vessels from 14 to 17.

Loss on forward freight agreements – The loss in the year ended December 31, 2022, is attributable to the net realized losses of our positions on the forward freight agreements entered within the year.

Interest and Finance Costs – This decrease is primarily attributable to a decrease of certain debt discounts amortization costs of our convertibles notes following the adoption of a new accounting policy as of January 1, 2022 (please refer to the notes of our consolidated financial statements included in this filing for more details). In particular, the amortization of a beneficial conversion feature of our notes was \$NIL in 2022 compared to \$2.9 million in 2021. This was partially offset by an increase of the weighted average interest rate on outstanding debt and convertible notes from 4.81% for 2021 to 5.01% for 2022 due to the sharp increase in US interest rates affecting both LIBOR and SOFR rates used as reference rates on the majority of our debt facilities.

Loss on extinguishment of debt – The loss in the year ended December 31, 2022, is attributable to the write-off of unamortized deferred finance costs and debt discounts upon the settlement of certain borrowing facilities, as follows: \$1.1 million related to the prepayment of second JDH Note, \$0.1 million related to the February 2019 ATB Loan Facility. The loss in the year ended December 31, 2021, is attributable to the write-off of unamortized deferred finance costs and debt discounts upon the settlement of certain borrowing facilities, as follows: \$0.4 million related to the *Geniuship* tranche of the July 2020 Entrust Loan Facility, \$0.1 million related to the First JDH Loan, \$0.1 million related to the Fourth JDH Loan and \$6.2 million related to the Third JDH Note.

Gain on spin-off of United Maritime Corporation – The gain in the year ended December 31, 2022, represents the difference between the fair value of assets contributed from Seanergy to United and their carrying value.

Other, net – Other, net for the year ended December 31, 2022, related to \$0.5 million dividends received in relation to Series C preferred shares, \$0.5 million in insurance credits and \$0.4 million of interest income from our short-term time deposits.

Please see Item 5.A of our Form 20-F filed with the SEC on March 31, 2022, for a discussion of the year-to-year comparison between 2021 and 2020.

B. Liquidity and Capital Resources

Our principal source of funds has been our operating cash inflows, long-term borrowings from banks, and equity provided by the capital markets and JDH. Our principal use of funds has primarily been capital expenditures to establish our fleet, maintain the quality of our dry bulk vessels, comply with international shipping standards and environmental laws and regulations, fund working capital requirements, and make principal repayments and interest payments on our outstanding debt obligations.

Our funding and treasury activities are conducted in accordance with corporate policies to maximize investment returns while maintaining appropriate liquidity for both our short- and long-term needs. This includes arranging borrowing facilities on a cost-effective basis. Cash and cash equivalents are held primarily in U.S. dollars, with minimal amounts held in Euros.

As of December 31, 2022, we had cash and cash equivalents of \$26 million, as compared to \$41.5 million as of December 31, 2021.

Working capital is equal to current assets minus current liabilities, including the current portion of long-term debt. At December 31, 2022, we had a working capital deficit of \$33.6 million, which includes liabilities amounting to \$12.7 million relating to cash deposit received from United for sale of vessels and an amount of \$2.2 million relating to pre-collected revenue. Those amounts represent current liabilities that do not require future cash settlement. At December 31, 2021, we had a working capital deficit of \$40.9 million, which includes liabilities amounting to \$7.7 million relating to pre-collected revenue. The deficit is primarily due to the outstanding loan balance of \$13.1 million under the ABB Loan Facility. The facility was fully repaid in two installments on February 9, 2023 and February 24, 2023 following the sale of the M/V Goodship and the M/V Tradership. For the year ended December 31, 2022, the Company realized a net income of \$17,239 and generated cash flow from operations of \$37,286.

As of December 31, 2022, we had outstanding gross borrowings of \$259.9 million (including long-term debt and other financial liabilities and convertible note) as compared to \$239.7 million as of December 31, 2021.

As of March 15, 2023, we had outstanding borrowings of \$237.2 million (including long-term debt and other financial liabilities and convertible note). Our primary known and estimated liquidity needs for 2023 include obligations related to scheduled principal payments of outstanding borrowings and respective interest expenses payments and estimated drydocking expenditures. Our cash flow projections indicate that cash on hand and cash to be provided by operating activities will be sufficient to cover the liquidity needs that become due in the twelve-month period ending one year after the financial statements' issuance. Additional information on our annual scheduled obligations under our long-term debt and other financial liabilities are described in "Loan Arrangements" below and in Note 7 ("Long-Term Debt and Other Financial Liabilities") and Note 8 ("Convertible Notes") of our consolidated financial statements included in Item 18 of this Annual Report. Generally, we expect that, in addition to the cash generated from our operations, our long-term funding sources will include bank borrowings, lease financings and the issuance of debt and equity securities.

Cash Flows

(In thousands of US Dollars)

	Year ended December 31,		
	2022	2021	2020
Cash Flow Data:			
Net cash provided by / (used in) operating activities	37,286	80,760	(9,735)
Net cash used in investing activities	(56,263)	(184,620)	(21,864)
Net cash provided by financing activities	5,828	127,435	39,096

Year ended December 31, 2022, as compared to year ended December 31, 2021

Operating Activities: Net cash provided by operating activities in 2022 consisted of net income after non-cash items of \$54.1 million and the decrease in working capital of \$16.8 million. The major drivers of the change of net cash provided by operating activities are the decrease related to Vessel revenues, net by \$30.5 million in 2022 compared to 2021 and the increase related to the operating expenses by \$7.2 million in 2022 compared to 2021. This was partly offset by the decrease related to interest expense of \$2.4 in 2022 compared to 2021 and the increase from fees from related parties of \$2.4 million in 2022 compared to 2021. The working capital decrease was mainly driven by the increase in dry dockings during 2022 compared to 2021. Net cash provided by operating activities in 2021 consisted of net income after non-cash items of \$79.8 million, an adjustment of \$0.7 million from gain on the sale of a vessel plus an increase in working capital of \$1.7 million.

Investing Activities: The 2022 cash outflow resulted from \$70.3 million for the purchase of two vessels and payments for vessels improvements, \$10 million investment in Series C preferred shares and \$0.1 million for the purchase of other fixed assets. The 2022 cash outflow was offset by \$12.7 million advances received in respect with the subsequent sale of two vessels, \$10.0 million proceeds from the redemption of the Series C preferred shares and \$1.5 million inflow from term deposits. The 2021 cash outflow resulted from \$197.2 million for the purchase of seven vessels, which was offset by \$12.6 million from the proceeds from the sale of one vessel.

Financing Activities: The 2022 cash inflow resulted mainly from \$124.8 million from proceeds of secured long-term debt. The 2022 cash inflow was offset by debt repayments of \$89.7 million, \$10.0 million repayments of convertible notes, \$17.9 million of dividend payments and \$1.4 million financing and stock issuance fees payments. The 2021 cash inflow resulted mainly from: proceeds from issuance of common stock and warrants, net of underwriters' fees and commissions, of \$98.3 million, proceeds of \$180.3 million from secured long-term debt and proceeds of \$0.3 million obtained the issuance of preferred stock. The 2021 cash inflow was offset by total debt repayments of \$132.1 million, \$14.0 million repayments of convertible notes, \$1.7 million for common stock repurchases, \$1 million for warrants repurchases and \$2.7 million financing and stock issuance fees payments.

Please see Item 5.A of our Form 20-F filed with the SEC on March 31, 2022 for a discussion of the year-to-year comparison between 2021 and 2020.

Loan Arrangements

Senior Facilities

New Financing Activities during the year ended December 31, 2022

June 2022 Alpha Bank Loan Facility

On June 21, 2022, we entered into a facility agreement with Alpha Bank S.A. ("Alpha Bank") for a \$21.0 million term loan secured by the M/V Dukeship. The loan facility bears interest of SOFR plus a margin of 2.95% and is repayable through four quarterly installments of \$1.0 million followed by twelve quarterly installments of \$0.5 million and a final balloon of \$11.0 million payable together with the sixteenth installment in June 2026. The June 2022 Alpha Bank Loan Facility is cross collateralized with the August 2021 Alpha Bank Loan Facility. The Company is required to ensure that the security requirement ratio (as defined therein) shall not be less than 125% and the borrower is required to maintain minimum liquidity of \$0.5 million in its operating account. As of December 31, 2022, \$19.0 million was outstanding under the facility.

June 2022 Piraeus Bank Loan Facility

On June 22, 2022, the Company entered into a facility agreement with Piraeus Bank S.A. for a \$38.0 million sustainability-linked term loan. The purpose of the loan was to partly finance the acquisition cost of the M/V Honorship (as discussed below), while also refinancing the November 2021 Piraeus Bank Loan Facility, which was secured by the M/V Worldship. The facility bears interest at LIBOR plus a margin of 3.00% and is repayable through four quarterly installments of \$2.0 million, two quarterly installments of \$1.5 million, followed by fourteen quarterly installments of \$0.8 million and a final balloon of \$16.5 million payable together with the final installment in June 2027. The margin is subject to a sustainability pricing adjustment whereby it may be decreased by up to 0.10% upon meeting certain emission reduction targets during the term of the facility. The Company is required to maintain a corporate leverage ratio (as defined therein) that will not exceed 85% and a security cover ratio (as defined therein) of not less than 125% until December 24, 2023 and 130% thereafter until the maturity of the loan. The borrowers are required to maintain an aggregate minimum liquidity of \$2.0 million in their operating accounts. As of December 31, 2022, \$34.0 million was outstanding under the facility.

October 2022 Danish Ship Finance Loan Facility

On October 10, 2022, we entered into a \$28.0 million loan facility with Danish Ship Finance A/S to refinance the existing UniCredit Bank Loan Facility secured by the M/Vs Premiership and Fellowship. The facility is divided in two equal tranches, has a term of five years, while the interest rate is 2.5% plus SOFR per annum. The repayment schedule of each tranche comprises six quarterly installments of \$0.8 million followed by fourteen quarterly installments of \$0.5 million and a final balloon of \$2.1 million payable together with the twentieth installment in October 2027. Pursuant to the terms of the facility, the Company is required to maintain a security cover higher than 133%, at any time the corporate leverage ratio (as defined therein) is equal to or less than 65%. If the corporate leverage ratio is higher than 65%, the Company is required to maintain a security cover ratio (as defined therein) higher than 143%. The Company is required to maintain a leverage ratio (as defined therein), that will not be higher than 85% until June 29, 2023 and 70% thereafter until the maturity of the loan. Each borrower is required to maintain minimum liquidity of \$0.65 million in its retention account. As of December 31, 2022, \$28.0 million was outstanding under the facility.

December 2022 Alpha Bank Loan Facility

On December 15, 2022, the Company entered into a facility agreement with Alpha Bank S.A. for a \$16.5 million term loan for the purpose of partly financing the acquisition cost of the M/V Paroship. The interest rate of the facility is equal to term SOFR, for periods of 1, 3 months or any other available period subject to agreement between the parties of the agreement, plus a margin of 2.90%. The term of the loan facility is four years. The repayment schedule comprises four quarterly installments of \$0.5 million followed by twelve quarterly installments of \$0.4 million and a final balloon of \$9.6 million payable together with the sixteenth installment in December 2026. In addition, the Company is required to maintain a security requirement (as defined therein) of not less than 125%, while the borrower is required to maintain minimum liquidity of \$0.5 million in its operating account. As of December 31, 2022, \$16.5 million was outstanding under the facility.

Loan Facilities amended during the year ended December 31, 2022

August 2021 Alpha Bank Loan Facility

On August 9, 2021, we entered into a \$44.1 million secured loan facility with Alpha Bank S.A. for (i) refinancing of the May 2021 Alpha Bank Loan Facility and (ii) financing of the previously unencumbered M/V Friendship, effectively replacing the M/V Leadership with the M/V Friendship in the security structure and increasing the loan amount. The August 2021 Alpha Bank Loan Facility is divided in two tranches, which were fully drawn on August 11, 2021, the first tranche of \$31.1 million was used to partly refinance the outstanding indebtedness over the M/Vs Squireship and Lordship and the second tranche of \$13.0 million was used to partly finance the acquisition cost of the M/V Friendship. The first tranche bears interest at LIBOR plus a margin of 3.5% and is repayable by four quarterly installments of \$1.3 million each, followed by four quarterly installments of \$1.0 million each, followed by eight quarterly installments of \$0.9 million each and a final balloon of \$15.0 million payable together with the final installment. The second tranche bears interest at LIBOR plus a margin of 3.25% and is repayable by installment four quarterly installments \$0.7 million each, followed by twelve quarterly installments of \$0.4 million each and a final balloon payment of \$5.7 million payable together with the final installment due on August 11, 2025. Each of the borrowers owning the MVs Squireship and Lordship are required to maintain average quarterly minimum free liquidity of \$0.5 million, whereas the borrower owning the M/V Friendship is required to maintain \$0.5 million at all times. In addition, the borrowers shall ensure that the market value of the vessels plus any additional security shall not be less than 125% of the total facility outstanding. On June 30, 2022, the Company entered into a supplemental agreement to the facility pursuant to which, the August 2021 Alpha Bank Loan Facility was cross collateralized with the June 2022 Alpha Bank Loan Facility. As of December 31, 2022, \$33.9 million was outstanding under the facility.

Pre - Existing Loan Facilities

ABB Loan Facility

On April 22, 2021, we entered into a \$15.5 million secured loan facility with Aegean Baltic Bank, or ABB. The loan was divided in two tranches of \$7.5 million (“Tranche A”) and \$8.0 million (“Tranche B”) to partly finance the acquisition cost of the M/V Goodship and M/V Tradership, respectively. Each tranche bears interest at LIBOR plus a margin 4.0% and was repayable in eighteen consecutive quarterly installments of \$0.2 million each, commencing three months after the drawdown of each tranche, with a final balloon payment of \$3.9 million due in October 2025, for Tranche A and \$4.4 million due in December 2025, for Tranche B. The Company was required to maintain a corporate leverage ratio, as defined in the loan agreement, that would not be higher than 85% until the maturity. Each borrower was required to maintain minimum liquidity of \$0.3 million in its earnings account. In addition, the borrowers would ensure that the market value of the vessels plus any additional security would not be less than 130% of the total facility outstanding. As of December 31, 2022, \$13.1 million was outstanding under the facility. The facility was fully repaid in two installments on February 9, 2023 and February 24, 2023 following the sale of the M/V Goodship and the M/V Tradership.

Sinopac Loan Facility

On December 20, 2021, we entered into a \$15.0 million secured loan facility with Sinopac Capital International (HK) Limited for the purpose of refinancing the outstanding indebtedness of the M/V Geniuship. The facility bears interest at LIBOR plus a margin of 3.5% and is repayable by four quarterly installments of \$0.5 million, followed by sixteen quarterly installments of \$0.4 million and a balloon installment of \$6.7 million payable together with the final installment in December 2026. In addition, the borrower shall ensure that the market value of the vessel plus any additional security shall not be less than 130% of the total facility outstanding. As of December 31, 2022, \$12.9 million was outstanding under the facility.

The borrowers under the loan facilities discussed above are the applicable vessel owning subsidiaries, while the Company has provided corporate guarantees in relation to performance of their obligations therein. These loan facilities are secured by mortgages, general assignments covering the respective vessels’ earnings, charter parties, insurances and requisition compensation; account pledge agreements covering the vessels’ earnings accounts; technical and commercial managers’ undertakings and pledge agreements covering the shares of the applicable vessel-owning subsidiaries. Certain of these loan facilities are additionally secured by specific charterparty assignments, usually for charterparties exceeding twelve months in duration, second priority mortgages and general assignments and hedging assignment agreements.

Loan Facilities repaid during the years ended December 31, 2020, December 31, 2021 and December 31, 2022

UniCredit Bank Loan Facility

On September 11, 2015, we entered into a \$52.7 million secured loan facility with UniCredit Bank AG to partly finance the acquisition of the M/Vs Premiership, Gladiatorship and Guardianship. On November 22, 2018, we entered into an amendment and restatement of the UniCredit Bank Loan Facility, following the sale of the M/Vs Gladiatorship and the Guardianship and the financing of the M/V Fellowship as replacement collateral. Following the supplemental agreement entered into on February 8, 2021, the facility had an expiry date in December 2022 and amortized through six consecutive quarterly repayments of \$1.2 million each, followed by a balloon installment of \$22.4 million on the maturity date. The applicable interest rate was LIBOR plus a margin of 3.5% per annum. On October 10, 2022, the facility was refinanced in full by the October 2022 Danish Ship Finance Loan Facility.

November 2021 Piraeus Bank Loan Facility

On November 12, 2021 we entered into a \$16.9 million secured loan facility with Piraeus Bank S.A. for the purpose of partially financing the acquisition of the M/V Worldship. The facility bore interest at LIBOR plus a margin of 3.05% and was repayable in four quarterly installments of \$1.0 million, followed by two quarterly installments of \$0.8 million, followed by fourteen quarterly installments of \$0.4 million each and a balloon installment of \$6.1 million due in November 2026. The margin of the Piraeus Bank Loan Facility was also subject to a sustainability pricing adjustment, whereby it would be decreased to 2.95% if the M/V Worldship met certain emission reduction targets during the term of the facility. On June 22, 2022, the facility was refinanced in full by the June 2022 Piraeus Bank Loan Facility.

February 2019 ATB Loan Facility

On February 13, 2019, we entered into a \$20.9 million secured loan facility with Amsterdam Trade Bank NV, or ATB, in order (i) to refinance the existing indebtedness over the M/V Partnership under a previous loan facility provided by the same lender and (ii) for general working capital purposes, and more specifically, for the financing of installation of open loop scrubber systems on the M/Vs Squireship and Premiership. The facility, as amended and/or supplemented from time to time, bore interest of LIBOR plus a margin of 4.65% and was divided in Tranche A relating to the refinancing of the M/V Partnership and Tranches B and C for the working capital purposes discussed above, respectively. Tranche A was repayable in sixteen consecutive quarterly installments of \$0.2 million each and a balloon payment of \$13.2 million in November 2022. Tranche B and C were repayable in twelve consecutive quarterly installments of \$0.2 million each with the last one falling due in August 2022. On February 28, 2022, the outstanding amount of \$15.1 million was repaid in full.

May 2021 Alpha Bank Loan Facility

On May 20, 2021, we entered into a \$37.5 million secured loan facility with Alpha Bank S.A. for the purpose of (i) refinancing the outstanding indebtedness of the M/Vs Leadership and Squireship and (ii) partly finance the previously unencumbered M/V Lordship. The facility bore interest at LIBOR plus a margin of 3.5%, and was repayable in sixteen consecutive quarterly installments, the first four installments being \$1.5 million each, the next four installments being \$1.3 million each and the next eight quarterly installments being \$0.9 million each, with an interim balloon payment of \$4.5 million concurrently with the eighth installment and a final balloon payment of \$15.0 million due in May 2025. On August 11, 2021, the facility was refinanced in full by the August 2021 Alpha Bank Facility.

Leader Alpha Bank Loan Facility

On March 6, 2015, we entered into a \$8.8 million secured loan facility with Alpha Bank S.A. to partly finance the acquisition of the M/V Leadership. The facility, as amended and/or supplemented from time to time, was expiring on December 31, 2022, with repayments of \$0.3 million per quarter followed by a balloon installment of \$2.3 million on the maturity date. The interest rate of the facility was equal to LIBOR plus a margin of 3.75%. On May 20, 2021, the facility was refinanced in full by the May 2021 Alpha Bank Loan Facility.

Squire Alpha Bank Loan Facility

On November 4, 2015, we entered into a \$33.8 million secured loan facility with Alpha Bank S.A. to partly finance the acquisition of the M/V Squireship. The facility, as amended and/or supplemented from time to time, was expiring on December 31, 2022, with quarterly repayments followed by a balloon installment of \$15.0 million on the maturity date. The interest rate of the facility was equal to LIBOR plus a margin of 3.50%. On May 20, 2021, the facility was refinanced in full by the May 2021 Alpha Bank Loan Facility.

Entrust Loan Facility

On June 11, 2018, we entered into a \$24.5 million secured loan agreement with certain Blue Ocean maritime lending funds managed by EnTrustPermal, in relation to the M/V Lordship. The facility was expiring on June 13, 2023, or on June 13, 2025, subject to certain conditions, with a balloon installment of \$15.3 million or \$9.5 million due at each respective maturity. The weighted average all-in interest rate was equal to 11.4%. On March 5, 2021, the outstanding balance of \$21.6 million of the Entrust Loan Facility was prepaid in full.

July 2020 Entrust Facility

On July 15, 2020, we entered into a \$22.5 million secured loan facility with Lucid Agency Services Limited and Lucid Trustee Services Limited as facility agent and security agent, respectively, and certain nominees of EnTrust Global as lenders, for the purpose of partly refinancing the settlement amount of \$23.5 million under a previous loan facility with Hamburg Commercial Bank. The July 2020 Entrust Facility was made available in two tranches: the first tranche of \$6.5 million was used to partly refinance the outstanding indebtedness over the M/V Gloriuship and the second tranche of \$16.0 million was used to partly refinance the outstanding indebtedness over the M/V Geniuship. On December 20, 2021, the second tranche was refinanced by the Sinopac Loan Facility. On July 28, 2022, after the Spin-Off and the resultant transfer of the M/V Gloriuship to United, we were replaced by United as guarantor under the facility.

Subordinated & Other Loan Facilities

First JDH Loan Facility

On October 4, 2016, we entered into a \$4.2 million loan facility with JDH to finance the initial deposits for the M/Vs Lordship and Knightship. The facility was amended and supplemented on several occasions and along with the other facilities and convertible notes between the Company and JDH, was subject to comprehensive amendments that became effective on December 31, 2020 and the key applicable terms are described below. Following the amendments, the applicable interest rate was amended to a fixed rate of 5.5% per annum and the outstanding balance at that time was \$5.9 million.

Through two separate payments made on February 11, 2021 and February 22, 2021, the outstanding balance of \$5.9 million of the First JDH Loan Facility was prepaid in full and all securities created in favor of JDH were also irrevocably and unconditionally released pursuant to a deed of release.

Second JDH Loan Facility

On May 24, 2017, we entered into an up to \$16.2 million loan facility with JDH to partially finance the acquisition of the *Partnership*. The facility was amended and supplemented on several occasions and along with the other facilities and convertible notes between the Company and JDH, was subject to comprehensive amendments that became effective on December 31, 2020 and the key applicable terms are described below. Following the amendments and relevant prepayments, the applicable interest rate was amended to a fixed rate of 5.5% per annum and the outstanding balance at that time was \$5.0 million.

On February 28, 2022, the outstanding balance of \$1.9 million of the Second JDH Loan Facility was prepaid in full and all securities created in favor of JDH were also irrevocably and unconditionally released pursuant to a deed of release.

Fourth JDH Loan Facility

On March 26, 2019, we entered into a \$7.0 million loan facility with JDH, the proceeds of which were utilized (i) to refinance the \$2.0 million outstanding under the Third JDH Loan Facility and (ii) for general corporate purposes. The facility was amended and supplemented on various occasions and along with the other facilities and convertible notes between the Company and JDH, was subject to comprehensive amendments that became effective on December 31, 2020 and the key applicable terms are described below. Following the amendments, the applicable interest rate was amended to a fixed rate of 5.5% per annum and the outstanding balance at that time was \$6.0 million. Through two separate payments made on February 11, 2021 and February 22, 2021, the outstanding balance of \$6.0 million of the Fourth JDH Loan Facility was prepaid in full.

Other Financial Liabilities: Sale and Leaseback Transactions

New Sale and Leaseback Activities during the year ended December 31, 2022

Chugoku Sale and Leaseback

On February 25, 2022 the Company entered into a \$21.3 million sale and leaseback agreement with Chugoku Bank, Ltd. (“Chugoku”) to refinance the loan facilities secured by the M/V Partnership. The Company sold and chartered back the vessel from Chugoku on a bareboat basis for an eight-year period starting from March 9, 2022. The financing’s applicable interest rate is SOFR plus 2.90% per annum. Following the second anniversary of the bareboat charter, the Company has continuous options to repurchase the vessel at predetermined prices as set forth in the agreement. At the end of the eight year bareboat period, the Company has the option to repurchase the vessel for \$2.4 million, which the Company expects to exercise. The Company is required to maintain a minimum market value (as defined therein) of at least 120% of the charterhire principal. The charterhire principal amortizes in thirty-two consecutive quarterly installments averaging approximately \$0.6 million along with a balloon payment of \$2.4 million at the expiry of the bareboat charter. The charterhire principal, as of December 31, 2022, was \$19.6 million.

Existing Sale and Leaseback Activities

Flagship Cargill Sale and Leaseback

On May 11, 2021, we entered into a \$20.5 million sale and leaseback agreement with Cargill International SA (“Cargill”) to partly finance the acquisition of the M/V Flagship. The Company sold and chartered back the vessel from Cargill on a bareboat basis for a five-year period, having a purchase obligation at the end of the fifth year. The implied average applicable interest rate is equivalent to 2% per annum. The sale and leaseback agreement does not include any financial covenants or security value maintenance provisions. The Company has continuous options to buy back the vessel during the whole five-year sale and leaseback period at predetermined prices as set forth in the agreement and at the end of such period it has a purchase obligation at \$10.0 million. Additionally, at the time of repurchase, if the market value of the vessel exceeds certain threshold prices, as set out in the agreement, the Company will pay to Cargill 15% of the difference between the market price and such threshold prices. The charterhire principal amortizes in sixty monthly installments averaging approximately \$0.2 million each along with a balloon payment of \$10.0 million at maturity in May 2026. The charterhire principal, as of December 31, 2022, was \$17.3 million.

CMBFL Sale and Leaseback

On June 22, 2021, we entered into a \$30.9 million sale and leaseback agreement with CMB Financial Leasing Co., Ltd. (“CMBFL”) to partly finance the acquisition of the M/Vs Hellasship and Patriotship. The Company sold and chartered back the vessels from two affiliates of CMBFL on a bareboat basis for a five-year period. The financings bear interest of LIBOR plus a margin of 3.5%. The Company is required to maintain a corporate leverage ratio (as defined therein), that will not be higher than 85% until the maturity. Each of bareboat charterers are required to maintain a value maintenance ratio (as defined therein) of at least 120% of the charterhire principal. The Company has continuous options to buy back the M/Vs Hellasship and Patriotship at any time following the second anniversary until the maturity of the bareboat charter at predetermined prices as defined in the agreement. The charterhire principal amortizes in twenty consecutive equal quarterly installments of \$0.8 million along with a final balloon payment of \$15.3 million payable together with the final installment due in June 2026. The charterhire principal, as of December 31, 2022, was \$26.2 million.

Hanchen Sale and Leaseback

On June 28, 2018, we entered into a \$26.5 million sale and leaseback agreement for the M/V Knightship with Hanchen Limited (“Hanchen”), an affiliate of AVIC International Leasing Co., Ltd. The Company’s sold and chartered back the vessel on a bareboat basis for an eight-year period, having a purchase obligation at the end of the eighth year. The charterhire principal bears interest at LIBOR plus a margin of 4%. The Company has continuous options to buy back the M/V Knightship at any time following the second anniversary of the bareboat charter. Of the \$26.5 million purchase price, \$18.6 million were cash proceeds, \$6.6 million were withheld by Hanchen as an upfront charterhire, and an amount of \$1.3 million was paid by the Charterer to Hanchen as security of the due observance and performance by the Charterer of its obligations and undertakings as per the sale and leaseback agreement, or the Charterer’s Deposit. The Charterer’s Deposit can be set off against the balloon payment at maturity. The Charterer is required to maintain a value maintenance ratio (as defined in the additional clauses of the bareboat charter) of at least 120% of the charterhire principal minus the amount of the Charterer’s Deposit. The Company has continuous options to buy back the M/V Knightship at any time following the second anniversary of the bareboat charter and a purchase obligation of \$5.3 million at the end of the leaseback period. The charterhire principal amortizes through thirty-two consecutive equal quarterly installments of approximately \$0.5 million along with a final balloon of \$5.3 million payable together with the final installment due in June 2026. The charterhire principal, as of December 31, 2022, was \$11.7 million. The sale and leaseback agreement is expected to be refinanced by the Evahline Sale and Leaseback. The completion of the refinance and the full repayment of the Hanchen Sale and Leaseback is expected by mid-April 2023, upon the delivery of the vessel to the new lessor.

Championship Cargill Sale and Leaseback

On November 7, 2018, we entered into a \$23.5 million sale and leaseback agreement for the M/V Championship with Cargill. The Company sold and chartered back the vessel from Cargill on a bareboat basis for a five-year period, having a purchase obligation at the end of the fifth year. The implied average applicable interest rate is equivalent to 4.71% per annum. The Company is required to maintain an amount of \$1.6 million from the \$23.5 million proceeds as a performance guarantee, which amount of \$1.6 million will be used at the vessel’s repurchase. Moreover, under the subject sale and leaseback agreement, an additional tranche was provided to the Company for an amount of up to \$2.8 million for the purpose of financing the cost associated with the acquisition and installation on board the M/V Championship of an open loop scrubber system. The sale and leaseback agreement does not include any financial covenants or security value maintenance provisions. The Company has continuous options to buy back the vessel during the whole five-year sale and leaseback period at predetermined prices as set forth in the agreement at the end of which it has a purchase obligation at \$14.1 million. Additionally, at the time of repurchase, if the market value of the vessel is greater than certain threshold prices (as set out in the agreement), the Company will pay to Cargill 20% of the difference between the market price and such threshold price. The charterhire principal amortizes in sixty monthly installments averaging approximately \$0.2 million each along with a balloon payment of \$14.1 million, including the additional scrubber tranche, at maturity in November 2023. At the time of repurchase, if the market value of the vessel exceeds certain threshold prices, as set forth in the agreement, the Company will pay to Cargill 20% of the difference between the market price and such threshold prices (the “Profit Share Amount”). Additionally, upon the repurchase of the vessel, the Company is obliged to pay an amount for the remaining period of the initial charterhire based on the Baltic Capesize Index FFA curve and a discount rate on the Baltic Capesize Index as per the sale and leaseback agreement (the “Washout Amount”). On November 15, 2022 the Company gave to Cargill a notice for the exercise of its purchase option on the vessel in April 2023. Pursuant to the exercise of the purchase option, the Company has agreed to pay upon the delivery of the vessel (which is expected to take place in the second quarter of 2023) (i) an amount of \$0.8 million, accounting for the Profit Share Amount and (ii) an amount of \$0.1 million for the Washout Amount. The charterhire principal, as of December 31, 2022, was \$16.6 million including the additional scrubber tranche.

Certain of the Company’s sale and leaseback agreements discussed above are secured by a guarantee from the Company; general assignments covering the respective vessels’ earnings, insurances and requisition compensation; account pledge agreements; technical and commercial managers’ undertakings and pledge agreements covering the shares of the applicable bareboat charterer subsidiary.

New Sale and Leaseback Activities after the year ended December 31, 2022

Evahline Sale and Leaseback

On March 29, 2023, we entered into a \$19.0 million sale and leaseback agreement with Evahline Inc. (“Evahline”) for the refinancing of the Hanchen Sale and Leaseback. The agreement is expected to become effective by mid-April 2023, upon the delivery of the M/V Knightship to the lessor. The Company will sell and charter back the vessel from Evahline on a bareboat basis for a six-year period. The financing’s applicable interest rate is 3-month term SOFR plus 2.80% per annum. Following the second anniversary of the bareboat charter, the Company has continuous options to repurchase the vessel at predetermined prices as set forth in the agreement. At the end of the six-year bareboat period, the Company has the option to repurchase the vessel at no additional cost, following the full amortization of the charterhire principal, which the Company expects to exercise. The Company is required to maintain a minimum value (as defined therein) of at least 120% of the charterhire principal. The charterhire principal amortizes in seventy-two consecutive monthly installments averaging approximately \$0.3 million.

Convertible Notes

First JDH Note

On March 12, 2015, we issued a \$4.0 million convertible note to JDH, or the First JDH Note. As amended, the applicable interest rate was at a fixed rate of 5.5% per annum and the outstanding balance at the time of the JDH Transactions (mentioned below) was \$3.8 million. The First JDH Note was secured by a guarantee from the Company's wholly owned subsidiary, Emperor Holding Ltd., or Emperor. On December 10, 2021, the First JDH Note was prepaid in full. In particular, following the exercise of JDH's option, \$3.6 million was repaid in October 2021 in common shares at a conversion price of \$12.00 per share and \$0.2 million was repaid in cash on December 10, 2021. The securities granted in favor of JDH were also irrevocably and unconditionally released.

Second JDH Note

On September 7, 2015, we issued an up to \$6.8 million, revolving convertible note to JDH, or the Second JDH Note. As amended to date, the applicable interest rate was at a fixed rate of 5.5% per annum and the outstanding balance at the time of the JDH Transactions (mentioned below) was \$21.2 million. Emperor has provided a guarantee, dated September 27, 2017, to JDH for the Company's obligations under the Second JDH Note.

On January 26, 2022, March 10, 2022 and January 3, 2023, the Company made three voluntary cash prepayments of \$5.0 million, \$5.0 million and \$8.0 million, respectively, reducing the outstanding amount of the Second JDH Note to \$3.2 million.

We may by giving a five business days prior written notice to JDH at any time, prepay the whole or any part of the Second JDH Note in cash or, subject to JDH's prior written agreement on the price per share, in a number of fully paid and nonassessable shares of the Company equal to the amount of the note being prepaid divided by the agreed price per share. At JDH's option, our obligation to repay the principal amount(s) under the Second JDH Note or any part thereof may be paid in common shares at a conversion price of \$12.00 per share. JDH also has received customary registration rights with respect to any shares to be received upon conversion of the Second JDH Note.

Third JDH Note

On September 27, 2017, we issued a \$13.8 million convertible note to JDH, or the Third JDH Note. As amended, the applicable interest rate was at a fixed rate of 5.5% per annum and the outstanding balance at the time of the JDH Transactions (mentioned below) was \$13.8 million. The Third JDH Note was secured by a second preferred mortgage and second priority general assignment covering earnings, insurances and requisition compensation over the *Partnership* and guarantees from Emperor and from the vessel-owning subsidiary of the *Partnership*. On December 10, 2021, the outstanding balance of \$13.8 million of the Third JDH Note was prepaid in full in cash and all securities provided in favor of JDH were also irrevocably and unconditionally released.

JDH Transactions

Securities Purchase Agreement

On December 30, 2020, we entered into a securities purchase agreement (the "Securities Purchase Agreement") with JDH which sets forth the terms of the amendments agreed for the First JDH Loan Facility, Second JDH Loan Facility, Fourth JDH Loan Facility (together, the "JDH Loan Facilities"), First JDH Note, Second JDH Note and Third JDH Note (together, the "JDH Notes").

Pursuant to the Securities Purchase Agreement:

- The Company prepaid \$6.5 million of the principal amount of the Second JDH Loan Facility on December 31, 2020.
- In exchange for the settlement of all accrued and unpaid interest under the JDH Loan Facilities and JDH Notes through December 31, 2020 in an aggregate amount of \$4.3 million and an amendment fee of \$1.2 million, the Company issued, on January 8, 2021, 798,691 units ("Units") at a price of \$7.0 per Unit, with each Unit consisting of one common share of the Company (or, at JDH's option, one pre-funded warrant in lieu of such common share) and ten warrants to purchase one common share at an exercise price of \$7.0 per share.
- The Company granted JDH an option, exercisable only once until 45 days after the effectiveness of the resale registration statement described below, to purchase up to 428,571 additional Units at a price of \$7.0 per Unit in exchange for the forgiveness of principal under the Second JDH Loan Facility in an amount equal to the aggregate purchase price of the Units. On April 26, 2021, JDH exercised this option to purchase 428,571 additional Units at a price of \$7.0 per Unit in exchange for the settlement of principal under the Second JDH Loan in an amount of \$3.0 million.
- The Company granted JDH customary registration rights covering common shares issuable pursuant to the Securities Purchase Agreement as well as common shares underlying the JDH Notes. The registration statement covering the resale of these common shares was filed on February 19, 2021.
- The Company and JDH agreed to amend the terms of each of the JDH Loan Facilities and JDH Notes pursuant to the omnibus supplemental agreements described below, including to extend the maturity date to December 31, 2024, to reduce the annual interest rate to 5.5% and to amend the conversion price under the JDH Notes to \$12.00 per common share.

- JDH agreed to a standstill undertaking, applicable for at least as long as the common shares are listed on Nasdaq, precluding any acquisition of the common shares, including through the exercise of warrants or the conversion of the JDH Notes, to the extent that it would result in JDH or its affiliates beneficially owning, including controlling the voting or disposition of, more than 9.99% of the outstanding common shares after giving effect to the acquisition.
- JDH waived any and all prior breaches and events of default under the JDH Loan Facilities and JDH Notes.

The Securities Purchase Agreement and the transactions contemplated therein were approved by an independent committee of our board of directors.

The terms of the warrant and pre-funded warrant issued as part of Units are substantially the same as those of the Class E warrants and pre-funded warrants issued in the Company's underwritten public offering in August 2020.

Omnibus Loan Supplemental Agreement

On December 31, 2020, the Company entered into an omnibus supplemental agreement (the "Omnibus Loan Supplemental Agreement"), amending each of the JDH Loan Facilities to reflect the changes agreed with JDH in the Securities Purchase Agreement, including:

- (i) accrued and unpaid interest of an aggregate of \$1.9 million through December 31, 2020 was deemed fully and finally settled;
- (ii) the interest rate payable from January 1, 2021 through the maturity date was fixed at 5.5% per annum;
- (iii) the maturity date was extended to December 31, 2024;
- (iv) the addition of cash sweep provisions whereby the Company will make prepayments semi-annually commencing the fiscal quarter ending March 31, 2021 of the greater of the Company's cash balances in excess of \$25.0 million or the revenue of the Company's Capesize fleet attributable to a time charter equivalent rate in excess of \$18,000 but not exceeding \$21,000;
- (v) a mandatory prepayment on each of December 31, 2022 and December 31, 2023 of \$8.0 million less any prepayments previously made under the cash sweep provisions;
- (vi) an option to apply the proceeds of any cash exercise of the warrants issued to JDH as part of Units as a prepayment;
- (vii) an amendment to the existing mandatory prepayment provisions in the First JDH Loan Facility and Fourth JDH Loan Facility such that the Company will make a mandatory prepayment of an amount equal to 25% of the net proceeds of any future public offering and any cash exercise of the Company's outstanding Class E warrants (the prepayment obligations set forth in (iv)-(vi) above, the "Mandatory Prepayment Obligations"); and
- (viii) a cap of \$12.0 million on all Mandatory Prepayment Obligations in any calendar year.

Omnibus Note Supplemental Agreement

On December 31, 2020, the Company entered into an omnibus supplemental agreement (the "Omnibus Note Supplemental Agreement"), amending each of the JDH Notes to reflect the changes agreed with JDH in the Securities Purchase Agreement, including:

- (i) accrued and unpaid interest of an aggregate of \$2.4 million through December 31, 2020 was deemed fully and finally settled;
- (ii) the interest rate payable from January 1, 2021 through the maturity date was fixed at 5.5% per annum;
- (iii) the maturity date was extended to December 31, 2024;
- (iv) the conversion price was amended to \$12.0 per common share;
- (v) the existing conversion provision was amended to include a beneficial ownership limitation of 9.99% of the number of the common shares outstanding immediately after giving effect to the issuance of common shares issuable upon conversion; and
- (vi) the addition of provisions analogous to the Mandatory Prepayment Obligations requiring mandatory prepayment of the JDH Notes following the full repayment of the JDH Loan Facilities, and a cap of \$12.0 million on all such mandatory prepayment obligations in any calendar year.

C. Research and development, patents and licenses, etc.

Not applicable.

D. Trend Information

Our results of operations depend primarily on the charter rates earned by our vessels. The widely accepted benchmark of charter market in the dry bulk industry is the Baltic Dry Index, or the BDI.

In the decade from 2010 to 2020 the performance of the BDI has been characterized by high volatility, as the growth in the size of the dry bulk fleet outpaced growth in vessel demand for an extended period of time.

Specifically, in the period from 2010 to 2020, the size of the fleet in terms of deadweight tons grew by an annual average of about 6.0% while the corresponding growth in demand for dry bulk carriers grew by 3.1%, resulting in a drop of about 61% in the value of the BDI over the period. In 2021, this volatility was apparent once again with the BDI registering a low of 1,303 on February 10, 2021 and a high of 5,650 on October 7, 2021. However, as the total size of the dry bulk fleet rose by about 3.6%, compared to demand growth of 3.8%, BDI increased by approximately 61%. In 2022, higher industrial input costs caused by rising inflation, the adverse economic impact of the Russian invasion of Ukraine and the extensive covid lockdowns in China combined to produce a negative effect on vessel demand, which registered a decline of 2.7% versus 2021. Dry bulk fleet supply rose by 2.8% in 2022, with effective fleet supply rising even further due to the unwinding of congestion caused by covid related vessel port delays. As a result of these factors, 2022 was a volatile year with the BDI reaching a high of 3,369 on May 23, 2022 and a low of 962 on August 31, 2022. As of March 28, 2023, the BDI stood at 1,402.

According to tentative projections, the total size of the dry bulk fleet is expected to rise by about 2.0% in 2023, effectively in line with the expected demand growth of 2.2%. Looking at the longer-term ship supply picture, the dry bulk orderbook as a percentage of the active fleet was equal to 8.4% in 2022, compared to 10.5% in 2020, while the average figure for the period 2008-2020 was 33.3%.

Meanwhile, the war in Ukraine has amplified the volatility in the dry bulk market. In the short term, the effect of the invasion of Ukraine has been mildly positive for the dry bulk market, yet the overall longer term effect, taking into consideration the indirect effects of the war, remains uncertain. Ton-mile demand so far has been supportive for the dry bulk market, given that cargoes such as grains, coal and iron ore exported previously from Ukraine and Russia were substituted by cargoes from different sources.

As 100% of our fleet is employed on index-linked charter contracts, we will be exposed to any near-term volatility in the charter market. We believe we have structured our capital expenditure requirements, debt commitments and liquidity resources in a way that will provide us with financial flexibility (see “Item 5. Operating and Financial Review and Prospects - B. Liquidity and Capital Resources” for more information).

In addition, the continuing war in Ukraine led to increased economic uncertainty amidst fears of a more generalized military conflict or significant inflationary pressures, due to the increases in fuel and grain prices following the sanctions imposed on Russia. Whether the present dislocation in the markets and resultant inflationary pressures will transition to a long-term inflationary environment is uncertain, and the effects of such a development on charter rates, vessel demand and operating expenses in the sector in which we operate are uncertain. As described above, the initial effect of the invasion in Ukraine on the dry bulk freight markets ranged from neutral to positive, despite the short-term volatility in charter rates and increases on specific items of operating costs, mainly in the context of increased crew costs. If these conditions are sustained, the longer-term net impact on the dry bulk freight or tanker markets and our business would be difficult to predict. Meanwhile, inflationary trends have not, and we do not expect them to have, a material impact on our results of operations. However, such trends may have unpredictable consequences, and contribute to instability in global economy, a decrease in supply or cause a decrease in worldwide demand for certain goods and, thus, shipping. Regarding the possible impact of supply chain disruptions that have or may emanate from the military conflict in Ukraine, our operations have not been affected materially and we do not expect them to be in the future. The trading patterns of our vessels do not currently involve calling at Russian or Ukrainian ports, while on the other hand our suppliers and service providers have so far not been subject to any restrictions or disruptions in their operations. However, one potential area of impact has to do with the crewing of our vessels, as Ukraine, and Russia are major crewing hubs for the shipping industry. As a result, we expect disruptions and increased costs might be encountered in sourcing crew members for our fleet. This is expected to be a general issue for the shipping industry, which we do not expect will materially worsen our competitive position in the market.

Since its outbreak in late 2019, the COVID-19 pandemic has caused severe global disruptions and may continue to affect the economic conditions regionally as well as globally and otherwise impact our operations and the operations of our customers and suppliers. The reopening of the global economy and consequent increased demand across key dry bulk commodities and petroleum products has positively affected our revenues. Over time, the incidence of COVID-19 and its variants has diminished although periodic spikes in incidence occur. Consequently, restrictions imposed by various governmental health organizations may change over time. Several countries have lifted restrictions only to reimpose such restrictions as the number of cases rise and new variants arise. Although the Chinese government removed its zero-COVID policy in December 2022, China is now facing a sudden surge in COVID cases after easing the lockdown restrictions nationwide. WHO officials had expressed hope that COVID-19 might be entering an endemic phase by early 2023, but the continued uncertainties associated with the COVID-19 pandemic worldwide may cause an adverse impact on the shipping industry. A resurgence of the COVID-19 pandemic could have an adverse impact on our business, results of operations, cash flows, financial condition, the carrying value of our assets and the fair values of our vessels.

Although inflation has had a moderate impact on our vessel operating expenses and corporate overheads, management does not consider inflation to be a significant risk to direct costs in the current and foreseeable economic environment. It is anticipated that insurance costs, which have risen over the last three years, may well continue to rise over the next few years. Maritime transportation is a specialized area and the number of vessels is increasing. There will therefore be an increased demand for qualified crew and this has and will continue to put inflationary pressure on crew costs. However, in a shipping downturn, costs subject to inflation can usually be controlled because shipping companies typically monitor costs to preserve liquidity and encourage suppliers and service providers to lower rates and prices in the event of a downturn.

Important Measures and Definitions for Analyzing Results of Operations

We use a variety of financial and operational terms and concepts. These include the following:

Ownership days. Ownership days are the total number of calendar days in a period during which we owned or chartered in on bareboat basis each vessel in our fleet. Ownership days are an indicator of the size of our fleet over a period and affect both the amount of revenues and the amount of expenses recorded during that period.

Available days. Available days are the number of ownership days less the aggregate number of days that our vessels are off-hire due to major repairs, dry-dockings, lay-up 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.

Operating days. Operating days are the number of available days in a period less the aggregate number of days that our vessels are off-hire due to unforeseen circumstances. The shipping industry uses operating days to measure the aggregate number of days in a period during which vessels could actually generate revenues.

Fleet utilization. Fleet utilization is the percentage of time that our vessels were generating revenues and is determined by dividing operating days by ownership days for the relevant period.

Off-hire. The period a vessel is not being chartered or is unable to perform the services for which it is required under a charter.

Dry-docking. We periodically dry-dock each of our vessels for inspection, repairs and maintenance and any modifications to comply with industry certification or governmental requirements.

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

Bareboat charter. A bareboat charter is generally a contract pursuant to which a vessel owner provides its vessel to a charterer for a fixed period of time at a specified daily rate. Under a bareboat charter, the charterer assumes responsibility for all voyage and vessel operating expenses and risk of operation.

Voyage charter. A voyage charter is generally a contract to carry a specific cargo from a load port to a discharge port for an agreed-upon total amount. Under voyage charters, voyage expenses, such as port charges, bunker expenses, canal charges and other commissions, are paid by the vessel owner, who also pays vessel operating expenses.

TCE. Time charter equivalent, or TCE, rate is defined as our net revenue less voyage expenses during a period divided by the number of our operating days during the period. Voyage expenses include port charges, bunker expenses, canal charges and other commissions.

Daily Vessel Operating Expenses. Daily Vessel Operating Expenses are calculated by dividing vessel operating expenses less pre-delivery expenses by ownership days for the relevant time periods. This measure assists our management and investors by increasing the comparability of our performance from period to period. Vessel operating expenses include crew costs, provisions, deck and engine stores, lubricants, insurance, maintenance and repairs. Vessel operating expenses before pre-delivery expenses exclude one-time pre-delivery and pre-joining expenses associated with initial crew manning and supply of stores of Company's vessels upon delivery, which expenses may vary from period to period.

Performance Indicators

The figures shown below are non-GAAP statistical ratios and measures used by management to measure performance of our vessels. For the "Fleet Data" figures, there are no comparable U.S. GAAP measures.

	Year Ended December 31,		
	2022	2021	2020
Fleet Data:			
Ownership days	6,219	5,140	3,807
Available days(1)	5,954	5,040	3,755
Operating days(2)	5,905	4,987	3,747
Fleet utilization	95%	97.0%	98.4%
Average Daily Results:			
TCE rate(3)	\$ 20,040	\$ 27,399	\$ 11,950
Daily Vessel Operating Expenses(4)	\$ 6,819	\$ 6,211	\$ 5,709

- (1) During the year ended December 31, 2022, we incurred 265 off-hire days for seven scheduled dry-dockings and ballast water treatment installation on two of our vessels. During the year ended December 31, 2021, we incurred 100 off-hire days for four scheduled dry-dockings.
- (2) During the year ended December 31, 2022, we incurred 49 off-hire days due to unforeseen circumstances. During the year ended December 31, 2021, we incurred 53 off-hire days due to unforeseen circumstances.
- (3) We include TCE rate (a measure of the average daily revenue performance), a non-GAAP measure, because it assists our management in making decisions regarding the deployment and use of our vessels and in evaluating their financial performance. Our calculation of TCE rate may not be comparable to that reported by other companies. The following table reconciles our net revenues from vessels to TCE rate.

(In thousands of US Dollars, except operating days and TCE rate)

	Year Ended December 31,		
	2022	2021	2020
Vessel revenue, net	\$ 122,629	\$ 153,108	\$ 63,345
Voyage expenses	(4,293)	(16,469)	(18,567)
Time charter equivalent revenues	\$ 118,336	\$ 136,639	\$ 44,778
Operating days	5,905	4,987	3,747
Daily time charter equivalent rate	\$ 20,040	\$ 27,399	\$ 11,950

- (4) We include Daily Vessel Operating Expenses, a non-GAAP measure, as we believe it provides additional meaningful information and assists our management in making decisions regarding the deployment and use of our vessels and in evaluating their financial performance. Our calculation of Daily Vessel Operating Expenses may not be comparable to that reported by other companies. The following table reconciles our vessel operating expenses to Daily Vessel Operating Expenses.

(In thousands of US Dollars, except ownership days and Daily Vessel Operating Expenses)

	Year Ended December 31,		
	2022	2021	2020
Vessel operating expenses	\$ 43,550	\$ 36,332	\$ 22,347
Less: Pre-delivery expenses	(1,144)	(4,410)	(611)
Vessel operating expenses before pre-delivery expenses	42,406	31,922	21,736
Ownership days	6,219	5,140	3,807
Daily Vessel Operating Expenses	\$ 6,819	\$ 6,211	\$ 5,709

Please also see "–B. Liquidity and Capital Resources."

E. Critical Accounting Estimates

The discussion and analysis of our financial condition and results of operations are based upon our financial statements, which have been prepared in accordance with U.S. GAAP. The preparation of those financial statements requires us to make estimates and judgments that affect the reported amounts of assets and liabilities, revenues and expenses and related disclosure of contingent assets and liabilities at the date of our financial statements. Actual results may differ from these estimates under different assumptions and conditions.

Critical accounting estimates are those that reflect significant judgments of uncertainties and potentially result in materially different results under different assumptions and conditions. We have described below what we believe is our most critical accounting estimate, because it generally involves a comparatively higher degree of judgment in its application. For a description of all our significant accounting policies, see Note 2 to our annual audited financial statements included in this annual report.

Impairment of long-lived assets (Vessels)

We review our Vessels for impairment whenever events or changes in circumstances, such as prevailing market conditions, obsolescence or damage to the asset, business plans to dispose a vessel earlier than the end of its useful life and other business plans, indicate that the carrying amount of the assets, plus any unamortized dry-docking costs, may not be recoverable. The volatile market conditions in the dry bulk market with decreased charter rates and decreased vessel market values are conditions we consider to be indicators of a potential impairment for our vessels. We determine undiscounted projected operating cash flows, for each vessel with an impairment indicator and compare it to the vessel's carrying value, plus any unamortized dry-docking costs. When the undiscounted projected operating cash flows expected to be generated by the use of the vessel and/or its eventual disposition are less than its carrying value, plus any unamortized dry-docking costs, we impair the carrying amount of the vessel. Measurement of the impairment loss is determined by the Company based on the fair value of the asset as determined by independent valuers and use of available market data. The undiscounted projected operating cash inflows are determined by considering the estimated future charter rate for the first calendar year, using the average of two published third party estimates and for the period thereafter up to the end of the estimated useful life of the vessel the average 10-year historical daily charter earnings of similar size vessels excluding the outliers, published by a third party, adjusted for estimated commissions, expected off hires due to scheduled vessels' maintenance and estimated unexpected off hires. In addition, an estimate of additional daily revenue for the scrubber-fitted vessels is also included, reflecting additional compensation from charterers that the Company earns due to the fuel cost savings that these vessels provide. The undiscounted projected operating cash outflows are determined by applying various assumptions regarding vessel operating expenses, management fees and scheduled vessels' maintenance.

Our assessment concluded that no impairment loss should be recorded as of December 31, 2022 and 2021.

Our Fleet – Illustrative Comparison of Possible Excess of Carrying Value Over Estimated Charter-Free Market Value of Certain Vessels

Historically, the market values of vessels have experienced volatility, which from time to time may be substantial. As a result, the charter-free market value of certain of our vessels may have declined below those vessels' carrying value, even though we would not impair those vessels' carrying value under our accounting impairment policy. The table set forth below indicates (i) the carrying value of each of our vessels as of December 31, 2022 and 2021, respectively, and (ii) which of our vessels we believe had a basic market value below their carrying value. The carrying value includes, as applicable, vessel costs, plus any unamortized deferred dry-docking costs. This aggregate difference between the carrying value of these vessels and their market value of \$38.7 million and \$5.0 million, as of December 31, 2022 and 2021, respectively, represents the amount by which we believe we would have had to reduce our net income if we sold all of such vessels, on industry standard terms, in cash transactions, and to a willing buyer where we are not under any compulsion to sell, and where the buyer was not under any compulsion to buy as of December 31, 2022 and 2021, respectively. For purposes of this calculation, we assumed that the vessels would be sold at a price that reflected our estimate of their charter-free market values as of December 31, 2022 and 2021, respectively.

Our estimates of charter-free market value assume that our vessels were all in good and seaworthy condition without need for repair and if inspected would be certified in class without notations of any kind. Our estimates are based on information available from various industry sources, including:

- reports by industry analysts and data providers that focus on our industry and related dynamics affecting vessel values;
- news and industry reports of similar vessel sales;
- offers that we may have received from potential purchasers of our vessels; and
- vessel sale prices and values of which we are aware through both formal and informal communications with shipowners, shipbrokers, industry analysts and various other shipping industry participants and observers.

As we obtain information from various industry and other sources, our estimates of basic market value are inherently uncertain. In addition, vessel values are highly volatile; as such, our estimates may not be indicative of the current or future basic market value of our vessels or prices that we could achieve if we were to sell them.

Carrying Value plus any unamortized dry-docking costs as of

Vessel	Year		December 31, 2022		December 31, 2021	
	Built	Dwt	(in millions of U.S. dollars)		(in millions of U.S. dollars)	
<i>Patriotship</i>	2010	181,709		24.6		25.9
<i>Dukeship</i>	2010	181,453		32.2*		34.2*
<i>Worldship</i>	2012	181,415		31.6*		33.2
<i>Hellaship</i>	2012	181,325		28.1*		27.8
<i>Fellowship</i>	2010	179,701		25.8*		27.4
<i>Championship</i>	2011	179,238		35.6*		38.1*
<i>Partnership</i>	2012	179,213		31.7*		30.8
<i>Knightship</i>	2010	178,978		20.6		21.1
<i>Lordship</i>	2010	178,838		19.9		20.9
<i>Goodship</i>	2005	177,536		-		13.2
<i>Friendship</i>	2009	176,952		25.3*		24.3
<i>Tradership</i>	2006	176,925		-		16.5
<i>Flagship</i>	2013	176,387		28.7		27.7
<i>Gloriuship</i>	2004	171,314		-		12.4
<i>Geniuship</i>	2010	170,057		22.2		23.6
<i>Premiership</i>	2010	170,024		25.4*		27.1
<i>Squireship</i>	2010	170,018		28.7*		30.5
<i>Honorship</i>	2010	180,242		33.5*		-
<i>Paroship</i>	2012	181,415		31.0*		-
TOTAL				444.9		434.7

* Indicates dry bulk carrier vessels for which we believe, as of December 31, 2022 and 2021, respectively, the basic charter-free market value was lower than the vessel's carrying value plus any unamortized dry-docking costs.

As presented in Balance Sheets as of December 31, 2022 and 2021.

	December 31, 2022 (in millions of U.S. dollars)	December 31, 2021 (in millions of U.S. dollars)
Vessels, net	434.1	426.1
Deferred charges and other investments, non-current	10.8	8.6
Total	444.9	434.7

We refer you to the risk factor entitled “The market values of our vessels may decrease, which could limit the amount of funds that we can borrow or trigger certain financial covenants under our loan agreements and other financing agreements, and we may incur an impairment or, if we sell vessels following a decline in their market value, a loss.”

Although we believe that the assumptions used to evaluate potential asset impairment are based on historical trends and are reasonable and appropriate, such assumptions are highly subjective. There can be no assurance as to how charter rates and vessel values will fluctuate in the future. Charter rates may, from time to time throughout our vessels' lives, remain for a considerable period of time at depressed levels which could adversely affect our revenue and profitability, and future assessments of vessel impairment. To minimize such subjectivity, our analysis for the years ended December 31, 2022 and 2021 also involved sensitivity analysis to the model input we believe is more important and likely to change. In particular, in terms of our estimates for the time charter equivalent for the unfixed period, we use a combination of one-year charter rates estimate and the average of the trailing 10-year historical charter rates, excluding outliers. Although the trailing 10-year historical charter rates, excluding the outliers, cover at least a full business cycle, we sensitized our model with regards to long-term historical charter rate assumptions for the unfixed period beyond the first year. The impairment test that we conduct, when required, is most sensitive to variances in future time charter rates. Our sensitivity analysis revealed that, to the extent that going forward the 10-year historical charter rates, excluding the outliers, would not decline by more than 15% for Capesize vessels, we would not be required to recognize impairment. For the year ended December 31, 2022, indicators of impairment existed for eleven of our vessels as their carrying value plus any unamortized dry-docking costs was higher than their market value. The carrying value of the eleven vessels plus any unamortized dry-docking costs for which impairment indicators existed as at December 31, 2022, was \$328.9 million.

ITEM 6. DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES**A. Directors and Senior Management**

Set forth below are the names, ages and positions of our current directors and executive officers. Members of our board of directors are elected annually on a staggered basis, and each director elected holds office for a three-year term. Officers are elected from time to time by vote of our board of directors and hold office until a successor is elected. The business address of each of our directors and executive officers listed below is 154 Vouliagmenis Avenue, 166 74 Glyfada, Greece.

Name	Age	Position	Director Class
Stamatios Tsantanis	51	Chairman, Chief Executive Officer & Director	A (term expires in 2025)
Stavros Gyftakis	44	Chief Financial Officer	
Christina Anagnostara	52	Director*	B (term expires in 2023)
Elias Culucundis	80	Director*	A (term expires in 2025)
Dimitrios Anagnostopoulos	76	Director*	C (term expires in 2024)
Ioannis Kartsonas	51	Director*	C (term expires in 2024)

*Independent Director

Biographical information with respect to each of our directors and our executive officers is set forth below.

Stamatios Tsantanis has been a member of our board of directors and our Chief Executive Officer since October 1, 2012 and has led the Company's significant growth to a world renowned Capesize dry bulk company of approximately 2.8 million dwt. In addition, Mr. Tsantanis has been the Chairman of our board of directors since October 1, 2013 and also served as our Interim Chief Financial Officer from November 1, 2013 until October 2, 2018. Mr. Tsantanis is also the founder, the Chairman, the Chief Executive Officer and a director in the board of directors of United. Mr. Tsantanis has been actively involved in the shipping and finance industry since 1998 and has held senior management positions in prominent private and public shipping companies and financial institutions. He was formerly an investment banker at Alpha Finance, a member of the Alpha Bank Group, with active roles in a number of major shipping corporate finance transactions in the U.S. capital markets. Mr. Tsantanis holds a Master of Science (MSc) in Shipping Trade and Finance from Bayes Business School (formerly known as Cass Business School) of City University in London and a Bachelor of Science (BSc) in Shipping Economics from the University of Piraeus. He also serves in the board of directors of Breakwave Advisors LLC, the advisor of ETFMG (the manager of the NYSE listed BDRY and BSEA) and is a fellow of the Institute of Chartered Shipbrokers.

Stavros Gyftakis was appointed as our Chief Financial Officer on October 3, 2018, and previously served as Finance Director since November 2017 and he has been instrumental in Seanergy's capital raising, debt financing and refinancing activities since 2017. Mr. Gyftakis is also the Chief Financial Officer and a director in the board of directors of United. He has more than 17 years of experience in banking and corporate finance with focus on the shipping sector. Mr. Gyftakis has held key positions across a broad shipping finance spectrum, including, asset backed lending, debt and corporate restructurings, risk management, financial leasing and loan syndications. Before joining Seanergy, he was a Senior Vice President in the Greek shipping finance desk at DVB Bank SE. Mr. Gyftakis received his Master of Science (MSc) in Shipping Trade and Finance from Bayes Business School (formerly known as Cass Business School) in London with Distinction and holds a Master of Science (MSc) in Business Mathematics, awarded with Honors, from the Athens University of Economics and Business and a Bachelor of Science (BSc) in Mathematics from the Aristotle University of Thessaloniki.

Christina Anagnostara served as our Chief Financial Officer from November 17, 2008 until October 31, 2013, she has served as a member of our board of directors since December 2008 and she is a member of Seanergy's Sustainability Committee. Ms. Anagnostara is also a director in the board of directors of United since June 2022. She has more than 25 years of maritime and international business experience in the areas of finance, banking, capital markets, consulting, accounting and audit. Before joining Seanergy, she has served in executive and board positions of publicly listed companies in the maritime industry and she was responsible for the financial, capital raising and accounting functions. Since June 2017 she is a Managing Director in the Investment Banking Division of AXIA Ventures Group and between 2014 and 2017 she provided advisory services to corporate clients involved in all aspects of the maritime industry. From 2006 to 2008, she served as the Chief Financial Officer and Director of Global Oceanic Carriers Ltd, a dry bulk shipping company listed on the Alternative Investment Market of the London Stock Exchange. Between 1999 and 2006, she was a senior management consultant of the Geneva-based EFG Group. Prior to EFG Group, she worked for Eurobank EFG and Ernst & Young. Ms. Anagnostara studied Economics in Athens and is a Certified Chartered Accountant. She is a member of various industry organizations including ACCA, Propeller Club, WISTA, Shipping Finance Executives and American Hellenic Chamber of Commerce.

Elias Culucundis has been a member of our board of directors since our inception, he is the Chairman and a member of the Compensation and Nominating Committees and a member of the Audit Committee of Seenergy. Since 1999, Mr. Culucundis has been the President, Chief Executive Officer and Director of Equity Shipping Company Ltd., a company specializing in starting, managing and operating commercial and technical shipping projects. Additionally, from 1996 to 2000, he was a Director of Kassian Maritime Shipping Agency Ltd., a vessel management company operating a fleet of ten bulk carriers. During this time, Mr. Culucundis was also a Director of Point Clear Navigation Agency Ltd, a marine project company. From 1981 to 1995, Mr. Culucundis was a Director of Kassos Maritime Enterprises Ltd., a company engaged in vessel management. While at Kassos, he was initially a technical Director and eventually ascended to the position of Chief Executive Officer, overseeing a large fleet of Panamax, Aframax and VLCC tankers, as well as overseeing new vessel building contracts, specifications and the construction of newbuildings. From 1971 to 1980, Mr. Culucundis was a Director and the Chief Executive Officer of Off Shore Consultants Inc. and Naval Engineering Dynamics Ltd. In Off Shore Consultants Inc. he worked in Floating Production, Storage and Offloading vessel, or FPSO, design and construction and was responsible for the technical and commercial supervision of a pentagon-type drilling rig utilized by Royal Dutch Shell Plc. Seven FPSOs were designed and constructed that were subsequently utilized by Pertamina, ARCO, Total and Elf-Aquitaine. Naval Engineering Dynamics Ltd. was responsible for purchasing, re-building and operating vessels that had suffered major damage. From 1966 to 1971, Mr. Culucundis was employed as a Naval Architect for A.G. Pappadakis Co. Ltd., London, responsible for tanker and bulk carrier new buildings and supervising the technical operation of their fleet. He is a graduate of Kings College, Durham University, Great Britain, with a degree in Naval Architecture and Shipbuilding. He is a member of the Hellenic National Committee of American Bureau of Shipping and he served in the Council of the Union of Greek Shipowners. Mr. Culucundis is a Fellow of the Royal Institute of Naval Architects and a Chartered Engineer.

Dimitrios Anagnostopoulos has been a member of our board of directors since May 2009 and he is also the Chairman and a member of the Audit Committee and a member of the Compensation and Nominating Committees of Seenergy. Mr. Anagnostopoulos has over 49 years of experience in Shipping, Ship finance and Bank Management. Mr. Anagnostopoulos obtained his BSc at the Athens University of Economics and Business. His career began in the 1970's as Assistant Lecturer at the same University followed by four years with the Onassis Shipping Group HQ in Monaco. Mr. Anagnostopoulos also held various posts at the National Investment Bank of Industrial Development (ETEBA), Continental Illinois National Bank of Chicago, the Greyhound Corporation, and with ABN AMRO, where he has spent nearly two decades with the Bank, holding the positions of Senior Vice-President and Head of Shipping. Since 2010 he is also an advisor and Board Member in the Aegean Baltic Bank S.A. Mr. Anagnostopoulos has been a speaker and panelist in various shipping conferences in Europe, and a regular guest lecturer at the Bayes Business School (formerly known as Cass Business School) of City University in London, the Athens University of Economics and Business and the ALBA Graduate Business School. He is a member (and ex-vice chairman) of the Association of Banking and Financial Executives of Greek Shipping and an Associate Member of the Institute of Energy of South East Europe. In 2008 he was named by the Lloyd's Organization as Shipping Financier of the Year.

Ioannis Kartsonas has been a member of our board of directors since May 2017 and he is the Chairman and a member of Seenergy's Sustainability Committee. Mr. Kartsonas is also a director in the board of directors of United since June 2022 and the Principal and Managing Partner of Breakwave Advisors LLC, a commodity-focused advisory firm based in New York. Mr. Kartsonas has been actively involved in finance and commodities trading since 2000. From 2011 to 2017, he was a Senior Portfolio Manager at Carlyle Commodity Management, a commodity-focused investment firm based in New York and part of the Carlyle Group, being responsible for the firm's Shipping and Freight investments. During his tenure, he managed one of the largest freight futures funds globally. Prior to his role, Mr. Kartsonas was a Co-Founder and Portfolio Manager at Sea Advisors Fund, an investment fund focused in Shipping. From 2004 to 2009, he was the leading Transportation Analyst at Citi Investment Research covering the broader transportation space, including the shipping industry. Prior to that, he was an Equity Analyst focusing on Shipping and Energy for Standard & Poor's Investment Research. Mr. Kartsonas holds an MBA in Finance from the Simon School of Business, University of Rochester.

No family relationships exist among any of the directors and executive officers.

As a foreign private issuer listed on the Nasdaq Capital Market, we are required to disclose certain self-identified diversity characteristics about our directors pursuant to Nasdaq's board diversity and disclosure rules approved by the Commission in August 2021. The Board Diversity Matrix set forth below contains the requisite information as of the date of this annual report.

Board Diversity Matrix (As of March 30, 2023)

To be completed by Foreign Issuers (with principal executive offices outside of the U.S.) and Foreign Private Issuers

Greece	Yes				
Foreign Private Issuer	No				
Disclosure Prohibited under Home Country Law	5				
Total Number of Directors		Female	Male	Non-Binary	Did Not Disclose Gender
Part I: Gender Identity					
Directors		1	4	0	0
Part II: Demographic Background					
Underrepresented Individual in Home Country Jurisdiction				0	
LGBTQ+				0	
Did Not Disclose Demographic Background				0	

B. Compensation

For the year ended December 31, 2022, the Company paid its executive officers and directors aggregate compensation of \$2.0 million. The Company's executive officers are employed pursuant to employment and consulting contracts. We do not have a retirement plan for our officers or directors.

Each member of the Company's board of directors received a fee of \$0.1 million in 2022. The aggregate director fees paid by the Company for the years ended December 31, 2022, 2021 and 2020 totaled \$0.4 million, \$0.4 million and \$0.3 million, respectively.

On January 12, 2011 our board of directors adopted the Seenergy Maritime Holdings Corp. 2011 Equity Incentive Plan, or the Plan. On January 12, 2022, the Plan, as previously amended, was further amended and restated to increase the aggregate number of shares of the common stock reserved for issuance under the Plan to 550,000 shares. On July 8, 2022, the Plan was further amended and restated to increase the aggregate number of shares of common stock reserved for issuance under the Plan to 400,000 shares. On March 27, 2023, the Plan was further amended and restated to increase the aggregate number of shares of common stock reserved for issuance under the Plan to 2,000,000 shares. The Plan is administered by the Compensation Committee of our board of directors. Under the Plan, our officers, key employees, directors, consultants and service providers may be granted incentive stock options, non-qualified stock options, stock appreciation rights, restricted stock, unrestricted stock, restricted stock units, and unrestricted stock at the discretion of our Compensation Committee. Any awards granted under the Plan that are subject to vesting are conditioned upon the recipient's continued service as an employee or a director of the Company, through the applicable vesting date.

On January 12, 2022, the Compensation Committee granted an aggregate of 533,700 restricted shares of common stock pursuant to the Plan. Of the total 533,700 shares issued, 160,000 shares were granted to the non-executive members of the board of directors, 170,000 were granted to the executive officers, 188,700 shares were granted to certain of the Company's non-executive employees and 15,000 shares were granted to the sole director of the Company's commercial manager, a non-employee. The fair value of each share on the grant date was \$9.10. 177,902 shares vested on the grant date, 177,899 shares vested on October 1, 2022 and 177,899 shares will vest on October 1, 2023.

On July 8, 2022, the Compensation Committee granted an aggregate of 350,000 restricted shares of common stock pursuant to the Plan. Of the total 350,000 shares issued on July 12, 2022, 140,000 shares were granted to the non-executive members of the board of directors, 105,000 were granted to the executive officers, 95,000 shares were granted to certain of the Company's non-executive employees and 10,000 shares were granted to the sole director of the Company's commercial manager, a non-employee. The fair value of each share on the grant date was \$6.90. 116,670 shares vested on the date of the issuance, July 12, 2022, 116,665 shares vested on October 1, 2022 and 116,665 shares will vest on October 1, 2023.

On March 27, 2023, the Compensation Committee granted an aggregate of 1,823,800 restricted shares of common stock pursuant to the Plan. Of the total 1,823,800 shares issued on March 27, 2023, 400,000 shares were granted to the non-executive members of the board of directors, 930,000 were granted to the executive officers, 433,800 shares were granted to certain of the Company's non-executive employees and 60,000 shares were granted to the sole director of the Company's commercial manager, a non-employee. The fair value of each share on the grant date was \$5.22. 607,974 shares vested on the date of the issuance, March 27, 2023, 607,913 shares will vest on October 1, 2023 and 607,913 shares will vest on October 1, 2024.

C. Board Practices

Our directors do not have service contracts and do not receive any benefits upon termination of their directorships. Our board of directors has an audit committee, a compensation committee, a nominating committee and a newly-established sustainability committee. Our board of directors has adopted a charter for each of these committees.

Audit Committee

Our audit committee consists of Messrs. Dimitrios Anagnostopoulos and Elias Culucundis. Our board of directors has determined that the members of the audit committee meet the applicable independence requirements of the Commission and the Nasdaq Stock Market Rules. Our board of directors has determined that Mr. Dimitrios Anagnostopoulos is an "Audit Committee Financial Expert" under the Commission's rules and the corporate governance rules of the Nasdaq Stock Market.

The audit committee has powers and performs the functions customarily performed by such a committee (including those required of such a committee by Nasdaq and the Commission). The audit committee is responsible for selecting and meeting with our independent registered public accounting firm regarding, among other matters, audits and the adequacy of our accounting and control systems.

Compensation Committee

Our compensation committee consists of Messrs. Dimitrios Anagnostopoulos and Elias Culucundis, each of whom is an independent director. The compensation committee reviews and approves the compensation of our executive officers.

Nominating Committee

Our nominating committee consists of Messrs. Elias Culucundis and Dimitrios Anagnostopoulos, each of whom is an independent director. The nominating committee is responsible for overseeing the selection of persons to be nominated to serve on our board of directors.

Sustainability Committee

Our sustainability committee was established on December 19, 2022 and it consists of Mr. Ioannis Kartsonas and Ms. Christina Anagnostara, each of whom is an independent director. The sustainability committee promotes sustainability practices, guides, assists and supervises the Company in developing, articulating, and continuing to evolve, sustainability policies for the Company comprising environmental, social and governance matters. Additionally, it assesses the Company's sustainability key risks and opportunities in relation to climate and environmental, social and governance aspects.

D. Employees

As of December 31, 2022, 2021 and 2020, we had two executive officers, Mr. Stamatios Tsantanis and Mr. Stavros Gyftakis, and we employed Ms. Theodora Mitropetrou, our general counsel. In addition, as of December 31, 2022, 2021 and 2020, we employed a support staff consisting of 67, 46 and 35 employees, respectively.

E. Share Ownership

The common shares beneficially owned by our directors and executive officers are disclosed below in "Item 7. Major Shareholders and Related Party Transactions."

ITEM 7. MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS**A. Major Shareholders**

The following table sets out information as of the date of this annual report regarding the beneficial ownership of our common shares by (i) the owners of five percent or more of our outstanding common shares and (ii) our directors and executive officers. The beneficial ownership information set forth in the table below is based on beneficial ownership reports furnished to the Commission or information regarding the beneficial ownership of our common shares delivered to us. To the best of our knowledge, except as disclosed in the table below or with respect to our directors and executive officers, we are not controlled, directly or indirectly, by another corporation, by any foreign government or by any other natural or legal persons. All of our shareholders, including the shareholders listed in this table, are entitled to one vote for each common share held.

Identity of Person or Group	Number of Shares Owned	Percent of Class
Stamatios Tsantanis ⁽¹⁾⁽²⁾	1,369,055	6.84%
Dimitrios Anagnostopoulos ⁽¹⁾	267,073	1.33%
Elias Culucundis ⁽¹⁾	263,934	1.31%
Christina Anagnostara ⁽¹⁾	217,240	1.08%
Stavros Gyftakis ⁽¹⁾	211,328	1.05%
Ioannis Kartsonas ⁽¹⁾	—	*
Directors and executive officers as a group (6 individuals) ⁽¹⁾	2,459,129	12.28%

* Less than one percent.

(1) Calculation of percent of class beneficially owned by each such person is based on 20,011,117 common shares outstanding as of March 30, 2023 and any additional shares that such person may be deemed to beneficially own in accordance with Rule 13d-3 under the Exchange Act.

(2) Stamatios Tsantanis also beneficially owns 20,000 Series B Preferred Shares, constituting 100% of our issued and outstanding Series B Preferred Shares, which were issued on December 10, 2021 pursuant to a stock purchase agreement between us and Stamatios Tsantanis. Through his ownership of common shares and Series B Preferred Shares, Stamatios Tsantanis controls 49.99% of the voting power of our outstanding capital stock. For a description of the Series B Preferred Shares, see "Description of Securities" filed as Exhibit 2.5 hereto.

B. Related Party Transactions

On December 10, 2021, we entered into a stock purchase agreement and issued 20,000 of our Series B Preferred Shares, par value \$0.0001 per share, to our Chairman and Chief Executive Officer, Stamatios Tsantanis, in return for cash consideration of \$250,000. The issuance of the Series B preferred shares was approved by a special independent committee of the Board, which received a fairness opinion from an independent financial advisor. For a description of the Series B Preferred Shares, see “Description of Securities” filed as Exhibit 2.5 hereto.

United Spin-Off

On January 20, 2022, United was incorporated by us, under the laws of the Republic of the Marshall Islands to subsequently serve as the holding company of Sea Glorius Shipping Co, the vessel-owning subsidiary of the M/V Gloriuship that was contributed to United by us in connection with the Spin-Off. Additionally, in connection with the Spin-Off, our Chairman and Chief Executive Officer, Stamatios Tsantanis, received 40,000 Series B Preferred Shares, while 5,000 Series C Preferred Shares were issued to us in exchange for \$5.0 million working capital contribution. Following the Spin-Off, we and United became independent publicly traded companies. The Spin-Off was pro rata to our shareholders, including holders of our outstanding common shares and Series B preferred shares, so that such holders maintained the same proportionate interest in us and in United both immediately before and immediately after the Spin-Off.

United Right of First Refusal/Offer

Prior to the consummation of the Spin-Off, we entered into a right of first refusal agreement with United pursuant to which we have a right of first refusal with respect to any opportunity available to United to sell, acquire or charter-in any Capesize vessel as well as with respect to chartering opportunities, other than short-term charters with a term of 13 months or less, available to United for Capesize vessels. In addition, United has a right of first offer with respect to any vessel sales by us. The sales of M/V Goodship and M/V Tradership to United were made pursuant to the right of first refusal agreement.

Management Agreements

Prior to the consummation of the Spin-Off, United entered into a master management agreement with us for the provision of technical, administrative, commercial, brokerage and certain other services. Certain of these services are being subcontracted to or contracted directly with our wholly owned subsidiaries, Seanergy Shipmanagement and Seanergy Management.

In relation to technical management, Seanergy Shipmanagement is responsible for arranging (directly or by subcontracting) for the crewing of certain of United’s vessels, the day-to-day operations, inspections, maintenance, repairs, drydocking, purchasing, insurance and claims handling for the M/Vs Gloriuship, Chrisea and Oasea. Seanergy Shipmanagement provides certain technical management services to the M/V Goodship.

In addition, United has entered into a commercial management agreement with Seanergy Management, pursuant to which Seanergy Management acts as agent for United’s subsidiaries (directly or through subcontracting) for the commercial management of their vessels, including chartering, monitoring thereof, freight collection, and sale and purchase.

The management agreements provide for: a fixed management fee of \$14,000 per vessel per month for the M/Vs Gloriuship, Chrisea and Oasea and of \$10,000 for the M/V Goodship paid to Seanergy Shipmanagement and a fixed administration fee of \$325 per vessel per day payable to Seanergy Management. United has agreed to pay Seanergy Management a fee equal to 1.25% of the gross freight, demurrage and charter hire collected from the employment of these vessels, except for any vessels that are chartered-out to us. We will also earn a fee equal to 1% of the contract price of any vessel bought or sold by us on United’s behalf, except for any vessels bought or sold from or to us, or in respect of any vessel sale relating to a sale-leaseback transaction.

The initial term of United’s master management agreement with us will expire on December 31, 2024. Unless three months’ notice of non-renewal is given by either party prior to the end of the current term, the agreement will automatically extend for additional 12-month periods. The master management agreement may be terminated immediately only for cause and at any time by either party with three months’ prior notice, and no termination fee will be payable.

Additional vessels that United may acquire in the future may be managed by us.

Contribution and Conveyance Agreement

Prior to the consummation of the Spin-Off, we entered into a contribution and conveyance agreement with United. Pursuant to the Contribution and Conveyance Agreement, we, in conjunction with the Spin-Off, (i) contributed Sea Glorius Shipping Co., together with \$5.0 million in working capital and (ii) United agreed to indemnify us and Sea Glorius Shipping Co. for any and all obligations and other liabilities arising from or relating to the operation, management or employment of M/V Gloriuship prior to the effective date of the Spin-Off.

Share Purchase Agreement

On July 26, 2022, we entered into a share purchase agreement with United pursuant to which we purchased 5,000 of United's newly issued Series C Cumulative Convertible Perpetual Preferred Shares in exchange for \$5.0 million payable in cash in connection with United's obligation to pay the advance deposits pursuant to memoranda of agreement for the M/Ts Parosea, Bluesea, Minoansea and Epanastasea. On November, 28, 2022 United redeemed all 10,000 Series C Preferred Shares issued to us pursuant to their terms for a gross redemption price (including all accrued and unpaid dividends up to the redemption date) of \$10.6 million.

C. Interests of Experts and Counsel

Not applicable.

ITEM 8. FINANCIAL INFORMATION

A. Consolidated Statements and Other Financial Information

See Item 18.

Legal Proceedings

We have previously reported that between 2010 and 2017 certain of our then shareholders, including our former Chairman that served between 2008 to 2010, had brought suits in Greece against certain other shareholders of the Company, our former Chief Financial Officer, and such Chairman's immediate successor that served between 2008 to 2013. The plaintiffs withdrew their suits filed in 2010 and 2014 and therefore these are now closed.

The hearing of the only two remaining suits that were filed in 2017 against, amongst other, the former Chairman's immediate successor, took place on November 15, 2018 and the court's final decision is expected to be issued. These suits seek damages from the defendants (including our former Chairman's immediate successor that served between 2008 to 2013) for alleged willful misconduct that purportedly caused the plaintiffs damage both by way of diminution of the value of their shares in the Company and harm to their reputations. Our former Chairman's immediate successor that served between 2008 to 2013 has advised us that he does not believe the action has any merit.

Neither we nor our directors nor our current executive officers are named in any of these 2017 actions. We have also notified our insurance underwriters of these actions, and our underwriters are advancing a portion of the defendants' legal expenses.

Various claims, suits, and complaints, including those involving government regulations and product liability, arise in the ordinary course of the shipping business. Other than the proceedings mentioned above, we are not a party to any material litigation where claims or counterclaims have been filed against us other than routine legal proceedings incidental to our business.

Dividend Policy

The declaration, timing and amount of any dividend is subject to the discretion of our board of directors and will be dependent upon our earnings, financial condition, market prospects, capital expenditure requirements, investment opportunities, restrictions in our loan agreements, the provisions of the Marshall Islands law affecting the payment of dividends to shareholders, overall market conditions and other factors. We initiated the payment of quarterly cash dividends commencing with a quarterly dividend of \$0.25 per share and a special dividend of \$0.25 per share with respect to the fourth quarter of 2021. The quarterly dividend payments have continued, most recently with the payment of \$0.25 per share on January 30, 2023 to shareholders of record as of December 28, 2022. In addition, on March 14, 2023, the Company also declared a cash dividend of \$0.025 per share payable on or about April 25, 2023 to the shareholders of record as of March 31, 2023. Total cash dividends distributed in 2022 totaled \$17.9 million. Our board of directors may review and amend our dividend policy from time to time in light of our plans for future growth and other factors. In addition, since we are a holding company with no material assets other than the shares of our subsidiaries and affiliates through which we conduct our operations, our ability to pay dividends will depend on our subsidiaries and affiliates distributing to us their earnings and cash flow. Some of our loan agreements limit our ability to pay dividends and our subsidiaries' ability to make distributions to us.

B. Significant Changes

There have been no significant changes since the date of the consolidated financial statements included in this annual report.

ITEM 9. THE OFFER AND LISTING

A. Offer and Listing Details

Our common shares trade on the Nasdaq Capital Market under the symbol "SHIP".

B. Plan of Distribution

Not applicable.

C. Markets

Our common shares trade on the Nasdaq Capital Market under the symbol "SHIP".

D. Selling Shareholders

Not applicable.

E. Dilution

Not applicable.

F. Expenses of the Issue

Not applicable.

ITEM 10. ADDITIONAL INFORMATION

A. Share Capital

Not applicable.

B. Memorandum and Articles of Incorporation

Our restated articles of incorporation have been filed as an exhibit to our report filed with the Commission on Form 6-K on August 30, 2019. Amendments to our restated articles of incorporation were filed as exhibits to our registration statement on Form F-1 filed on February 19, 2021 and our report of Form 6-K filed on February 15, 2023. Our restated articles of incorporation, as amended, contained in such exhibits are incorporated by reference. Our third amended and restated bylaws have been filed with the Commission on Form 6-K on September 25, 2020, which we incorporate by reference. A description of the material terms of our restated articles of incorporation, as amended, and bylaws and of our capital stock is included in "Description of Securities" attached hereto as Exhibit 2.5 and incorporated by reference herein.

C. Material contracts

Attached as exhibits to this annual report are the contracts we consider to be both material and outside the ordinary course of business and are to be performed in whole or in part after the filing of this annual report. We refer you to "Item 4. Information on the Company – A. History and Development of the Company," "Item 4. Information on the Company – B. Business Overview," "Item 5. Operating and Financial Review and Prospects – B. Liquidity and Capital Resources – Loan Arrangements" and "Item 7. Major Shareholders and Related Party Transactions–B. Related Party Transactions" for a discussion of these contracts. Other than as discussed in this annual report, we have no material contracts, other than contracts entered into in the ordinary course of business, to which we are a party.

D. Exchange controls

Under Marshall Islands law, there are currently no restrictions on the export or import of capital, including foreign exchange controls, or restrictions that affect the remittance of dividends, interest or other payments to non-resident holders of our common shares.

E. Taxation

The following is a summary of the material U.S. federal income tax and Marshall Islands tax consequences of the ownership and disposition of our common stock as well as the material U.S. federal and Marshall Islands income tax consequences applicable to us and our operations. The discussion below of the U.S. federal income tax consequences to “U.S. Holders” will apply to a beneficial owner of our common stock that is treated for U.S. federal income tax purposes as:

- an individual citizen or resident of the United States;
- a corporation (or other entity treated as a corporation for U.S. federal income tax purposes) that is created or organized (or treated as created or organized) in or under the laws of the United States, any state thereof or the District of Columbia;
- an estate whose income is includible in gross income for U.S. federal income tax purposes regardless of its source; or
- a trust if (i) a U.S. court can exercise primary supervision over the trust's administration and one or more U.S. persons are authorized to control all substantial decisions of the trust, or (ii) it has a valid election in effect under applicable U.S. Treasury regulations to be treated as a U.S. person.

If you are not described as a U.S. Holder and are not an entity treated as a partnership or other pass-through entity for U.S. federal income tax purposes, you will be considered a “Non-U.S. Holder.” The U.S. federal income tax consequences applicable to Non-U.S. Holders is described below under the heading “—United States Federal Income Taxation of Non-U.S. Holders.”

This discussion does not consider the tax treatment of partnerships or other pass-through entities or persons who hold our common stock through such entities. If a partnership (or other entity classified as a partnership for U.S. federal income tax purposes) is the beneficial owner of our common stock, the U.S. federal income tax treatment of a partner in the partnership generally will depend on the status of the partner and the activities of the partnership.

This summary is based on the U.S. Internal Revenue Code of 1986, as amended, or the Code, its legislative history, Treasury Regulations promulgated thereunder, published rulings and court decisions, all as currently in effect. These authorities are subject to change, possibly on a retroactive basis.

This summary does not address all aspects of U.S. federal income taxation that may be relevant to any particular holder based on such holder's individual circumstances. In particular, this discussion considers only holders that will own and hold our common stock as capital assets within the meaning of Section 1221 of the Code and does not address the potential application of the alternative minimum tax or the U.S. federal income tax consequences to holders that are subject to special rules, including:

- financial institutions or “financial services entities”;
- broker-dealers;
- taxpayers who have elected mark-to-market accounting for U.S. federal income tax purposes;
- tax-exempt entities;
- governments or agencies or instrumentalities thereof;
- insurance companies;
- regulated investment companies;
- real estate investment trusts;
- certain expatriates or former long-term residents of the United States;
- persons that actually or constructively own 10% or more (by vote or value) of our shares;
- persons that own shares through an “applicable partnership interest”;
- persons required to recognize income for U.S. federal income tax purposes no later than when such income is reported on an “applicable financial statement”;
- persons that hold our common stock as part of a straddle, constructive sale, hedging, conversion or other integrated transaction; or

- persons whose functional currency is not the U.S. dollar.

This summary does not address any aspect of U.S. federal non-income tax laws, such as gift or estate tax laws, or state, local or non-U.S. tax laws.

We have not sought, nor do we intend to seek, a ruling from the Internal Revenue Service, or the IRS, as to any U.S. federal income tax consequence described herein. The IRS may disagree with the description herein, and its determination may be upheld by a court.

Because of the complexity of the tax laws and because the tax consequences to any particular holder of our common stock may be affected by matters not discussed herein, each such holder is urged to consult with its tax advisor with respect to the specific tax consequences of the ownership and disposition of our common stock, including the applicability and effect of state, local and non-U.S. tax laws, as well as U.S. federal tax laws.

United States Federal Income Tax Consequences

Taxation of Operating Income in General

Unless exempt from United States federal income taxation under the rules discussed below, a foreign corporation is subject to United States federal income taxation in respect of any income that is derived from the use of vessels, from the hiring or leasing of vessels for use on a time, voyage or bareboat charter basis, from the participation in a shipping pool, partnership, strategic alliance, joint operating agreement, code sharing arrangements or other joint venture it directly or indirectly owns or participates in that generates such income, or from the performance of services directly related to those uses, which we refer to as “shipping income,” to the extent that the shipping income is derived from sources within the United States. For these purposes, 50% of the gross shipping income that is attributable to transportation that begins or ends, but that does not both begin and end, in the United States, exclusive of certain U.S. territories and possessions, constitutes income from sources within the United States, which we refer to as “U.S. source gross shipping income.”

Shipping income attributable to transportation that both begins and ends in the United States is considered to be 100% from sources within the United States. We are prohibited by law from engaging in transportation that produces income considered to be 100% from sources within the United States.

Shipping income attributable to transportation exclusively between non-U.S. ports will be considered to be 100% derived from sources outside the United States. Shipping income earned by us that is derived from sources outside the United States will not be subject to any United States federal income tax.

For our 2022 taxable year, we had U.S. source gross shipping income of approximately \$1,657,832.

We are subject to a 4% tax imposed without allowance for deductions for such taxable year, as described in “—Taxation in Absence of Exemption,” unless we qualify for exemption from tax under Section 883 of the Code, the requirements of which are described in detail below. For our 2022 taxable year, we believe that we qualified for the exemption from tax under Section 883 of the Code.

Exemption of Operating Income from United States Federal Income Taxation

Under Section 883 of the Code and the regulations thereunder, we will be exempt from United States federal income taxation on our U.S.-source shipping income if (i) we are organized in a foreign country (our “country of organization”) that grants an “equivalent exemption” to corporations organized in the United States and (ii) one of the following statements is true:

- more than 50% of the value of our stock is owned, directly or indirectly, by “qualified shareholders,” that are persons (i) who are “residents” of our country of organization or of another foreign country that grants an “equivalent exemption” to corporations organized in the United States, and (ii) we satisfy certain substantiation requirements, which we refer to as the “50% Ownership Test”; or
- our stock is “primarily” and “regularly” traded on one or more established securities markets in our country of organization, in another country that grants an “equivalent exemption” to United States corporations, or in the United States, which we refer to as the “Publicly-Traded Test.”

The jurisdictions where we and our ship-owning subsidiaries are incorporated grant “equivalent exemptions” to United States corporations. Therefore, we will be exempt from United States federal income taxation with respect to our U.S. source shipping income if we satisfy either the 50% Ownership Test or the Publicly-Traded Test.

50% Ownership Test

Under the regulations, a foreign corporation will satisfy the 50% Ownership Test for a taxable year if (i) for at least half of the number of days in the taxable year, more than 50% of the value of its stock is owned, directly or constructively through the application of certain attribution rules prescribed by the regulations, by one or more shareholders who are residents of foreign countries that grant “equivalent exemption” to corporations organized in the United States and (ii) the foreign corporation satisfies certain substantiation and reporting requirements with respect to such shareholders.

We did not satisfy the 50% Ownership Test for our 2022 taxable year. Furthermore, these substantiation requirements are onerous and therefore there can be no assurance that we would be able to satisfy them, even if our share ownership would otherwise satisfy the requirements of the 50% Ownership Test.

Publicly-Traded Test

The regulations provide that the stock of a foreign corporation will be considered to be “primarily traded” on an established securities market in a country if the number of shares of each class of stock used to satisfy the Publicly Traded Test that is traded during the taxable year on all established securities markets in that country exceeds the number of shares in each such class that is traded during that year on established securities markets in any other single country.

Under the regulations, the stock of a foreign corporation will be considered “regularly traded” if one or more classes of its stock representing 50% or more of its outstanding shares, by total combined voting power of all classes of stock entitled to vote and by total combined value of all classes of stock, are listed on one or more established securities markets (such as the Nasdaq Capital Market), which we refer to as the “listing threshold.”

The regulations further require that with respect to each class of stock relied upon to meet the listing threshold: (i) such class of the stock is traded on the market, other than in minimal quantities, on at least sixty (60) days during the taxable year or one-sixth (1/6) of the days in a short taxable year; and (ii) the aggregate number of shares of such class of stock traded on such market is at least 10% of the average number of shares of such class of stock outstanding during such year or as appropriately adjusted in the case of a short taxable year. Even if a foreign corporation does not satisfy both tests, the regulations provide that the trading frequency and trading volume tests will be deemed satisfied by a class of stock if such class of stock is traded on an established market in the United States and such class of stock is regularly quoted by dealers making a market in such stock.

Notwithstanding the foregoing, the regulations provide, in pertinent part, that a class of stock will not be considered to be “regularly traded” on an established securities market for any taxable year in which 50% or more of the vote and value of the outstanding shares of such class of stock are owned, actually or constructively under specified attribution rules, on more than half the days during the taxable year by persons who each own directly or indirectly 5% or more of the vote and value of such class of stock, whom we refer to as “5% Shareholders.” We refer to this restriction in the regulations as the “Closely-Held Rule.”

For purposes of being able to determine our 5% Shareholders, the regulations permit a foreign corporation to rely on Schedule 13G and Schedule 13D filings with the Commission. The regulations further provide that an investment company that is registered under the Investment Company Act of 1940, as amended, will not be treated as a 5% Shareholder for such purposes.

Based on our analysis of our shareholdings during 2022, we believe we satisfy the Publicly-Traded Test for the entire 2022 year in that less than 50% of our issued and outstanding shares were held by 5% Shareholders for more than half the days during the 2022 taxable year.

Due to the factual nature of the issues involved, there can be no assurance that we or any of our subsidiaries will qualify for the benefits of Section 883 of the Code for our subsequent taxable years.

Taxation in Absence of Exemption

To the extent the benefits of Section 883 are unavailable, our U.S. source gross shipping income, to the extent not considered to be “effectively connected” with the conduct of a U.S. trade or business, as described below, would be subject to a 4% tax imposed by Section 887 of the Code on a gross basis, without the benefit of deductions, otherwise referred to as the “4% Tax.” Since under the sourcing rules described above, no more than 50% of our shipping income would be treated as being derived from U.S. sources, the maximum effective rate of U.S. federal income tax on our shipping income would never exceed 2% under the 4% Tax.

To the extent the benefits of the Section 883 exemption are unavailable and our U.S. source gross shipping income is considered to be “effectively connected” with the conduct of a U.S. trade or business, as described below, any such “effectively connected” U.S. source gross shipping income, net of applicable deductions, would be subject to the U.S. federal corporate income tax currently imposed at a rate of 21%. In addition, we may be subject to the 30% “branch profits” tax on earnings effectively connected with the conduct of such trade or business, as determined after allowance for certain adjustments, and for certain interest paid or deemed paid attributable to the conduct of our U.S. trade or business.

Our U.S. source gross shipping income would be considered “effectively connected” with the conduct of a U.S. trade or business only if:

- we have, or are considered to have, a fixed place of business in the United States involved in the earning of shipping income; and
- substantially all of our U.S. source gross shipping income is attributable to regularly scheduled transportation, such as the operation of a vessel that follows a published schedule with repeated sailings at regular intervals between the same points for voyages that begin or end in the United States, or, in the case of income from the leasing of a vessel, is attributable to a fixed place of business in the United States.

We do not intend to have, or permit circumstances that would result in having, any vessel operating to the United States on a regularly scheduled basis, or earning income from the leasing of a vessel attributable to a fixed place of business in the United States. Based on the foregoing and on the expected mode of our shipping operations and other activities, we believe that none of our U.S. source gross shipping income will be “effectively connected” with the conduct of a U.S. trade or business.

United States Taxation of Gain on Sale of Vessels

Regardless of whether we qualify for exemption under Section 883, we will not be subject to United States federal income taxation with respect to gain realized on a sale of a vessel, provided the sale is considered to occur outside of the United States under United States federal income tax principles. In general, a sale of a vessel will be considered to occur outside of the United States for this purpose if title to the vessel, and risk of loss with respect to the vessel, pass to the buyer outside of the United States. It is expected that any sale of a vessel by us will be considered to occur outside of the United States.

United States Federal Income Taxation of U.S. Holders

Taxation of Distributions Paid on Common Stock

Subject to the passive foreign investment company, or PFIC, rules discussed below, any distributions made by us with respect to common shares to a U.S. Holder will generally constitute dividends, which may be taxable as ordinary income or “qualified dividend income” as described in more detail below, to the extent of our current or accumulated earnings and profits, as determined under U.S. federal income tax principles. Distributions in excess of our earnings and profits will be treated first as a non-taxable return of capital to the extent of the U.S. Holder's tax basis in his common shares on a dollar-for-dollar basis and thereafter as capital gain. Because we are not a U.S. corporation, U.S. Holders that are corporations will generally not be entitled to claim a dividends-received deduction with respect to any distributions they receive from us.

Dividends paid on common shares to a U.S. Holder which is an individual, trust, or estate (a “U.S. Non-Corporate Holder”) will generally be treated as “qualified dividend income” that is taxable to such shareholders at preferential U.S. federal income tax rates provided that (1) the common shares are readily tradable on an established securities market in the United States (such as the Nasdaq Capital Market on which the common shares are currently listed); (2) we are not a passive foreign investment company, or PFIC, for the taxable year during which the dividend is paid or the immediately preceding taxable year (which we do not believe we are or have been, and do not expect to be); (3) the U.S. Non-Corporate Holder 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) certain other conditions are met.

Any dividends paid by us which are not eligible for these preferential rates will be taxed as ordinary income to a U.S. Holder.

Special rules may apply to any “extraordinary dividend”—generally, a dividend in an amount which is equal to or in excess of 10% of a shareholder's adjusted basis in a common share—paid by us. If we pay an “extraordinary dividend” on our common stock that is treated as “qualified dividend income,” then any loss derived by a U.S. Non-Corporate Holder from the sale or exchange of such common stock will be treated as long-term capital loss to the extent of such dividend.

Sale, Exchange or other Disposition of Common Shares

Assuming we do not constitute a PFIC for any taxable year, a U.S. Holder generally will recognize taxable gain or loss upon a sale, exchange or other disposition of our common shares in an amount equal to the difference between the amount realized by the U.S. Holder from such sale, exchange or other disposition and the U.S. Holder's tax basis in such stock. Such gain or loss will be treated as long-term capital gain or loss if the U.S. Holder's holding period in the common shares is greater than one year at the time of the sale, exchange or other disposition. A U.S. Holder's ability to deduct capital losses is subject to certain limitations.

Passive Foreign Investment Company Rules

Special U.S. federal income tax rules apply to a U.S. Holder that holds stock or warrants in a foreign corporation classified as a PFIC for U.S. federal income tax purposes. In general, we will be treated as a PFIC with respect to a U.S. Holder if, for any taxable year in which such holder held our common shares or warrants, either:

- at least 75% of our gross income for such taxable year consists of passive income (e.g., dividends, interest, capital gains and rents derived other than in the active conduct of a rental business); or
- at least 50% of the average value of the assets held by us during such taxable year produce, or is held for the production of, passive income.

For purposes of determining whether we are a PFIC, we will be treated as earning and owning our proportionate share of the income and assets, respectively, of any of our subsidiary companies in which we own at least 25% of the value of the subsidiary's stock or other ownership interest. Income earned, or deemed earned, by us in connection with the performance of services should not constitute passive income. By contrast, rental income, which includes bareboat hire, would generally constitute "passive income" unless we are treated under specific rules as deriving rental income in the active conduct of a trade or business.

Based on our current operations and future projections, we do not believe that we are or have been a PFIC during our 2022 taxable year, nor do we expect to become, a PFIC with respect to our 2023 taxable year or any future taxable year. Although there is no legal authority directly on point, our belief is based principally on the position that, for purposes of determining whether we are a PFIC, the gross income we derive or are deemed to derive from the time chartering and voyage chartering activities of our wholly owned subsidiaries should constitute services income, rather than rental income. Correspondingly, we believe that such income does not constitute passive income, and the assets that we or our wholly owned subsidiaries own and operate in connection with the production of such income, in particular the vessels, do not constitute passive assets for purposes of determining whether we are a PFIC. We believe there is substantial legal authority supporting our position consisting of case law and Internal Revenue Service pronouncements concerning the characterization of income derived from time charters and voyage charters as services income for other tax purposes. However, there is also authority which characterizes time charter income as rental income rather than services income for other tax purposes. It should be noted that in the absence of any legal authority specifically relating to the statutory provisions governing PFICs, the Internal Revenue Service or a court could disagree with this position. In addition, although we intend to conduct our affairs in a manner so as to avoid being classified as a PFIC with respect to any taxable year, there can be no assurance that the nature of our operations will not change in the future.

As discussed more fully below, if we were to be treated as a PFIC for any taxable year, a U.S. Holder would be subject to different taxation rules depending on whether the U.S. Holder makes an election to treat us as a "Qualified Electing Fund," which election is referred to as a "QEF election." As an alternative to making a QEF election, a U.S. Holder should be able to make a "mark-to-market" election with respect to the common shares, as discussed below. In addition, if we were to be treated as a PFIC, a U.S. Holder would be required to file an IRS Form 8621 with respect to such holder's common stock.

Taxation of U.S. Holders Making a Timely QEF Election

If a U.S. Holder makes a timely QEF election, which U.S. Holder is referred to as an "Electing Holder," the Electing Holder must report each year for U.S. federal income tax purposes its pro rata share of our ordinary earnings and its net capital gain, if any, for our taxable year that ends with or within the taxable year of the Electing Holder, regardless of whether or not distributions were received from us by the Electing Holder. The Electing Holder's adjusted tax basis in the common shares will be increased to reflect taxed but undistributed earnings and profits. Distributions of earnings and profits that had been previously taxed will result in a corresponding reduction in the adjusted tax basis in the common shares and will not be taxed again once distributed. An Electing Holder would generally recognize capital gain or loss on the sale, exchange or other disposition of the common shares. A U.S. Holder would make a QEF election with respect to any year that we are a PFIC by filing IRS Form 8621 with his, her or its U.S. federal income tax return. After the end of each taxable year, we will determine whether we were a PFIC for such taxable year. If we determine or otherwise become aware that we are a PFIC for any taxable year, we will use commercially best efforts to provide each U.S. Holder with all necessary information, including a PFIC Annual Information Statement, in order to enable such holder to make a QEF election for such taxable year.

Taxation of U.S. Holders Making a “Mark-to-Market” Election

Alternatively, if we were to be treated as a PFIC for any taxable year and, as anticipated, our common stock is treated as “marketable stock,” a U.S. Holder would be allowed to make a “mark-to-market” election with respect to our common shares. If that election is made, the U.S. Holder generally would include as ordinary income in each taxable year the excess, if any, of the fair market value of the common shares at the end of the taxable year over such U.S. Holder's adjusted tax basis in the common shares. The U.S. Holder would also be permitted an ordinary loss in respect of the excess, if any, of the U.S. Holder's adjusted tax basis in the common shares over its fair market value at the end of the taxable year, but only to the extent of the net amount previously included in income as a result of the mark-to-market election. A U.S. Holder's tax basis in his common shares would be adjusted to reflect any such income or loss amount. Gain realized on the sale, exchange or other disposition of the common shares would be treated as ordinary income, and any loss realized on the sale, exchange or other disposition of the common shares would be treated as ordinary loss to the extent that such loss does not exceed the net mark-to-market gains previously included by the U.S. Holder.

Taxation of U.S. Holders Not Making a Timely QEF or Mark-to-Market Election

Finally, if we were to be treated as a PFIC for any taxable year, a U.S. Holder who does not make either a QEF election or a “mark-to-market” election for that year, whom we refer to as a “Non-Electing Holder,” would be subject to special rules with respect to (1) any excess distribution (i.e., the portion of any distributions received by the Non-Electing Holder on our common stock in a taxable year in excess of 125 percent of the average annual distributions received by the Non-Electing Holder in the three preceding taxable years, or, if shorter, the Non-Electing Holder's holding period for the common stock), and (2) any gain realized on the sale, exchange or other disposition of our common stock. Under these special rules:

- the excess distribution or gain would be allocated ratably over the Non-Electing Holders' aggregate holding period for the common stock;
- the amount allocated to the current taxable year and any taxable year before we became a passive foreign investment company would be taxed as ordinary income; and
- the amount allocated to each of the other taxable years would be subject to tax at the highest rate of tax in effect for the applicable class of taxpayer for that year, and an interest charge for the deemed deferral benefit would be imposed with respect to the resulting tax attributable to each such other taxable year.

These penalties would not apply to a pension or profit sharing trust or other tax-exempt organization that did not borrow funds or otherwise utilize leverage in connection with its acquisition of our common stock. If a Non-Electing Holder who is an individual dies while owning our common stock, such Non-Electing Holder's successor generally would not receive a step-up in tax basis with respect to such stock.

Net Investment Income Tax

A U.S. Holder that is an individual or estate, or a trust that does not fall into a special class of trusts that is exempt from such tax, is subject to a 3.8% tax on the lesser of (1) such U.S. Holder's “net investment income” (or undistributed “net investment income” in the case of estates and trusts) for the relevant taxable year and (2) the excess of such U.S. Holder's modified adjusted gross income for the taxable year over a certain threshold (which in the case of individuals will be between \$125,000 and \$250,000, depending on the individual's circumstances). A U.S. Holder's net investment income will generally include its gross dividend income and its net gains from the disposition of the common shares, unless such dividends or net gains are derived in the ordinary course of the conduct of a trade or business (other than a trade or business that consists of certain passive or trading activities). Net investment income generally will not include a U.S. Holder's pro rata share of the Company's income and gain (if we are a PFIC and that U.S. Holder makes a QEF election, as described above in “—Taxation of U.S. Holders Making a Timely QEF Election”). However, a U.S. Holder may elect to treat inclusions of income and gain from a QEF election as net investment income. Failure to make this election could result in a mismatch between a U.S. Holder's ordinary income and net investment income. If you are a U.S. Holder that is an individual, estate or trust, you are urged to consult your tax advisor regarding the applicability of the net investment income tax to your income and gains in respect of your investment in our common shares.

United States Federal Income Taxation of Non-U.S. Holders

Dividends paid to a Non-U.S. Holder with respect to our common stock generally should not be subject to U.S. federal income tax, unless the dividends are effectively connected with the Non-U.S. Holder's conduct of a trade or business within the United States (and, if required by an applicable income tax treaty, are attributable to a permanent establishment or fixed base that such holder maintains in the United States).

In addition, a Non-U.S. Holder generally should not be subject to U.S. federal income tax on any gain attributable to a sale or other disposition of our common stock unless such gain is effectively connected with its conduct of a trade or business in the United States (and, if required by an applicable income tax treaty, is attributable to a permanent establishment or fixed base that such holder maintains in the United States) or the Non-U.S. Holder is an individual who is present in the United States for 183 days or more in the taxable year of sale or other disposition and certain other conditions are met (in which case such gain from United States sources may be subject to tax at a 30% rate or a lower applicable tax treaty rate).

Dividends and gains that are effectively connected with the Non-U.S. Holder's conduct of a trade or business in the United States (and, if required by an applicable income tax treaty, are attributable to a permanent establishment or fixed base in the United States) generally should be subject to tax in the same manner as for a U.S. Holder and, if the Non-U.S. Holder is a corporation for U.S. federal income tax purposes, it also may be subject to an additional branch profits tax at a 30% rate or a lower applicable tax treaty rate.

Backup Withholding and Information Reporting

In general, information reporting for U.S. federal income tax purposes should apply to distributions made on our common stock within the United States to a non-corporate U.S. Holder and to the proceeds from sales and other dispositions of our common stock to or through a U.S. office of a broker by a non-corporate U.S. Holder. Payments made (and sales and other dispositions effected at an office) outside the United States will be subject to information reporting in limited circumstances.

In addition, backup withholding of U.S. federal income tax, currently at a rate of 24%, generally should apply to distributions paid on our common stock to a non-corporate U.S. Holder and the proceeds from sales and other dispositions of our common stock by a non-corporate U.S. Holder, who:

- fails to provide an accurate taxpayer identification number;
- is notified by the IRS that backup withholding is required; or
- fails in certain circumstances to comply with applicable certification requirements.

A Non-U.S. Holder generally may eliminate the requirement for information reporting and backup withholding by providing certification of its foreign status, under penalties of perjury, on a duly executed applicable IRS Form W-8 or by otherwise establishing an exemption.

Backup withholding is not an additional tax. Rather, the amount of any backup withholding generally should be allowed as a credit against a U.S. Holder's or a Non-U.S. Holder's U.S. federal income tax liability and may entitle such holder to a refund, provided that certain required information is timely furnished to the IRS.

Individuals who are U.S. Holders (and to the extent specified in applicable Treasury regulations, certain individuals who are Non-U.S. Holders and certain U.S. entities) who hold "specified foreign financial assets" (as defined in Section 6038D of the Code) are required to file IRS Form 8938 with information relating to the asset for each taxable year in which the aggregate value of all such assets exceeds \$75,000 at any time during the taxable year or \$50,000 on the last day of the taxable year (or such higher dollar amount as prescribed by applicable Treasury regulations). Specified foreign financial assets would include, among other assets, our common shares, unless the shares are held through an account maintained with a U.S. financial institution. Substantial penalties apply to any failure to timely file IRS Form 8938, unless the failure is shown to be due to reasonable cause and not due to willful neglect. Additionally, in the event an individual U.S. Holder (and to the extent specified in applicable Treasury regulations, an individual Non-U.S. Holder or a U.S. entity) that is required to file IRS Form 8938 does not file such form, the statute of limitations on the assessment and collection of U.S. federal income taxes of such holder for the related tax year may not close until three years after the date that the required information is filed. U.S. Holders (including U.S. entities) and Non-U.S. Holders are encouraged to consult their own tax advisors regarding their reporting obligations under this legislation.

Marshall Islands Tax Consequences

We are incorporated in the Republic of the Marshall Islands. Under current Marshall Islands law, we are not subject to tax on income or capital gains, no Marshall Islands withholding tax will be imposed upon payment of dividends by us to its shareholders, and holders of our common stock that are not residents of or domiciled or carrying on any commercial activity in the Republic of the Marshall Islands will not be subject to Marshall Islands tax on the sale or other disposition of our common stock.

F. Dividends and paying agents

Not applicable.

G. Statement by experts

Not applicable.

H. Documents on display

We file annual reports and other information with the Commission. You may inspect and copy any report or document we file, including this annual report and the accompanying exhibits, at the Commission's public reference facilities located at 100 F Street, N.E., Room 1580, Washington, D.C. 20549. You may obtain information on the operation of the public reference facilities by calling the Commission at 1-800-SEC-0330, and you may obtain copies at prescribed rates. Our Commission filings are also available to the public at the website maintained by the Commission at <http://www.sec.gov>, as well as on our website at <http://www.seanergymaritime.com>. Information on our website does not constitute a part of this annual report and is not incorporated by reference.

We will also provide without charge to each person, including any beneficial owner of our common stock, upon written or oral request of that person, a copy of any and all of the information that has been incorporated by reference in this annual report. Please direct such requests to Investor Relations, Seanergy Maritime Holdings Corp., 154 Vouliagmenis Avenue, 166 74 Glyfada, Greece, telephone number +30 213 0181507 or facsimile number +30 210 9638404.

I. Subsidiary information

Not applicable.

ITEM 11. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Interest Rate Risk

We are exposed to risks associated with changes in interest rates relating to our unhedged variable-rate borrowings, according to which we pay interest at LIBOR or SOFR plus a margin; as such increases in interest rates could affect our results of operations and ability to service our debt. As of December 31, 2022, we had aggregate variable-rate borrowings, of \$214.8 million. An increase of 1% in the interest rates of our variable-rate borrowings, as of December 31, 2022 would increase our interest payments \$1.5 million per year. We have not entered into any hedging contracts to protect against interest rate fluctuations.

Foreign Currency Exchange Rate Risk

We generate all of our revenue in U.S. dollars. The minority of our operating expenses (approximately 8% in 2022) and less than half of our general and administration expenses (approximately 44% in 2022) are in currencies other than the U.S. dollar, primarily the Euro. For accounting purposes, expenses incurred in other currencies are converted into U.S. dollars at the exchange rate prevailing on the date of each transaction. We do not consider the risk from exchange rate fluctuations to be material for our results of operations, as during 2022, these non-US dollar expenses represented 11% of our revenues. However, the portion of our business conducted in other currencies could increase in the future, which could expand our exposure to losses arising from exchange rate fluctuations. We have not hedged currency exchange risks associated with our expenses.

ITEM 12. DESCRIPTION OF SECURITIES OTHER THAN EQUITY SECURITIES

Not applicable.

PART II

ITEM 13. DEFAULTS, DIVIDEND ARREARAGES AND DELINQUENCIES

None.

ITEM 14. MATERIAL MODIFICATIONS TO THE RIGHTS OF SECURITY HOLDERS AND USE OF PROCEEDS

On July 2, 2021, we adopted a shareholders rights agreement, pursuant to which each of our common shares includes one preferred stock purchase right that entitles the holder to purchase from us a unit consisting of one-thousandth of a share of our Series A Participating Preferred Shares if any third-party seeks to acquire control of a substantial block of our common shares without the approval of our board of directors. See "Description of Securities" attached to this annual report as Exhibit 2.5 for a description of our shareholders rights agreement.

ITEM 15. CONTROLS AND PROCEDURES

a) Disclosure Controls and Procedures

Management (our Chief Executive Officer and our Chief Financial Officer) has evaluated the effectiveness of the design and operation of the Company's disclosure controls and procedures pursuant to Rules 13a-15(e) and 15d-15(e) under the U.S. Securities Exchange Act of 1934, as amended, or the Exchange Act, as of the end of the period covered by this annual report (as of December 31, 2022). The term disclosure controls and procedures is defined under the Commission's rules as controls and other procedures of an issuer that are designed to ensure that information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the Commission's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the Company's management (our Chief Executive Officer and our Chief Financial Officer, or persons performing similar functions) as appropriate to allow timely decisions regarding required disclosure. There are inherent limitations to the effectiveness of any system of disclosure controls and procedures, including the possibility of human error and the circumvention or overriding of the controls and procedures. Accordingly, even effective disclosure controls and procedures can only provide reasonable assurance of achieving their control objectives.

Based on that evaluation, our Chief Executive Officer and our Chief Financial Officer have concluded that our disclosure controls and procedures are effective as of the evaluation date.

b) Management's Annual Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting as such term is identified in Exchange Act Rule 13a-15(f). Our internal control over financial reporting is a process designed under the supervision of our Chief Executive Officer and our Chief Financial Officer and effected by our board of directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of our financial statements for external reporting purposes in accordance with U.S. GAAP.

Internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect transactions and dispositions of assets; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with U.S. GAAP, and that receipts and expenditures are being made only in accordance with the authorization of our management and directors; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the consolidated financial statements.

Management (our Chief Executive Officer and our Chief Financial Officer), has assessed the effectiveness of our internal control over financial reporting as of December 31, 2022, based on the framework established in Internal Control - Integrated Framework (2013), issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this assessment, management has determined that the Company's internal control over financial reporting is effective as of December 31, 2022.

However, it should be noted that because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements with certainty even when determined to be effective and can only provide reasonable assurance with respect to financial statement preparation and presentation. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate / obsolete because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

Deloitte Certified Public Accountants S.A. (“Deloitte”), our independent registered public accounting firm, has audited the financial statements included herein and our internal control over financial reporting and has issued an attestation report on the effectiveness of our internal control over financial reporting as of December 31, 2022 which is reproduced in its entirety in Item 15(c) below.

c) Attestation Report of the Registered Public Accounting Firm

The effectiveness of the Company’s internal control over financial reporting as of December 31, 2022 has been audited by Deloitte Certified Public Accountants S.A., an independent registered public accounting firm, as stated in their report which appears below.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and the Board of Directors of Seanergy Maritime Holdings Corp.

Opinion on Internal Control over Financial Reporting

We have audited the internal control over financial reporting of Seanergy Maritime Holdings Corp. and subsidiaries (the “Company”) as of December 31, 2022, based on criteria established in Internal Control — Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2022, based on criteria established in Internal Control — Integrated Framework (2013) issued by COSO.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated financial statements as of and for the year ended December 31, 2022, of the Company and our report dated March 31, 2023, expressed an unqualified opinion on those financial statements.

Basis for Opinion

The Company’s management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying “Management’s Annual Report on Internal Control Over Financial Reporting”. Our responsibility is to express an opinion on the Company’s internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control over Financial Reporting

A company’s internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Deloitte Certified Public Accountants S.A.
Athens, Greece
March 31, 2023

We have served as the Company’s auditor since 2022.

d) Changes in Internal Control over Financial Reporting

There have been no changes in our internal control over financial reporting during the year covered by this annual report that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

ITEM 16. [RESERVED]**ITEM 16A. AUDIT COMMITTEE FINANCIAL EXPERT**

Our board of directors has determined that Mr. Dimitrios Anagnostopoulos, an independent director and a member of our audit committee, is an “Audit Committee Financial Expert” under Commission rules and the corporate governance rules of the Nasdaq Stock Market.

ITEM 16B. CODE OF ETHICS

We have adopted a Code of Business Conduct and Ethics that applies to our employees, officers and directors. Our Code of Business Conduct and Ethics is available on the Corporate Governance section of our website at www.seanergymaritime.com. Information on our website does not constitute a part of this annual report and is not incorporated by reference. We will also provide a hard copy of our Code of Business Conduct and Ethics free of charge upon written request. We intend to disclose any waivers to or amendments of the Code of Business Conduct and Ethics for the benefit of any of our directors and executive officers within 5 business days of such waiver or amendment. Shareholders may direct their requests to the attention of Investor Relations, Seanergy Maritime Holdings Corp., 154 Vouliagmenis Avenue, 16674 Glyfada.

ITEM 16C. PRINCIPAL ACCOUNTANT FEES AND SERVICES

Deloitte Certified Public Accountants S.A. (“Deloitte”), an independent registered public accounting firm, has audited our annual financial statements acting as our independent auditor for the fiscal year ended December 31, 2022. Ernst & Young (Hellas) Certified Auditors Accountants S.A. (“EY”), an independent registered public accounting firm, has audited our annual financial statements acting as our independent auditor for the fiscal year ended December 31, 2021. Audit, audit-related and non-audit services billed and accrued from Deloitte Certified Public Accountants S.A. and Ernst & Young (Hellas) Certified Auditors Accountants S.A., as applicable are as follows:

	2022	2021
Audit fees	\$ 300,000	\$ 345,000
Audit related fees	-	144,000
Tax fees	-	-
All other fees	-	-
Total fees	\$ 300,000	\$ 489,000

Audit fees for 2022 related to professional services rendered for the audit of our financial statements and the audit of internal control over financial reporting for the year ended December 31, 2022. Audit fees for 2021 related to professional services rendered for the audit of our financial statements and the audit of internal control over financial reporting for the year ended December 31, 2021. Audit related fees for 2021 related to services provided related to our equity offerings during 2021. As per the audit committee charter, our audit committee pre-approves all audit, audit-related and non-audit services not prohibited by law to be performed by our independent registered public accounting firm and associated fees prior to the engagement of the independent registered public accounting firm with respect to such services.

ITEM 16D. EXEMPTIONS FROM THE LISTING STANDARDS FOR AUDIT COMMITTEES

Not applicable.

ITEM 16E. PURCHASES OF EQUITY SECURITIES BY THE ISSUER AND AFFILIATED PURCHASERS

Month	Total Number of Shares (or Units) Purchased	Average Price Paid per Share (or Units)	Total Number of Shares (or Units) Purchased as Part of Publicly Announced Plans or Programs	Maximum Number (or Approximate Dollar Value) of Shares (or Units) that May Yet Be Purchased Under the Plans or Programs
January 1 – 10, 2023	4,038,114	0.20	4,038,114	\$ 0

The Company's Chairman and Chief Executive Officer acquired during 2022 a total of 4,950 common shares in the open market.

On June 28, 2022, our Board of Directors authorized a new share repurchase plan pursuant to which we could repurchase up to \$5.0 million of our outstanding common shares, convertible note, and warrants until December 31, 2022. On November 28, 2022, the Board of Directors authorized the extension of the Buyback Plan until December 31, 2023. No repurchases have been made under this plan as of the date of this annual report.

On November 28, 2022, the Board of Directors authorized also a tender offer to purchase our outstanding Class E Warrants to purchase one common share, par value \$0.0001, at a price of \$0.20 per warrant. The tender offer expired at 5:00 P.M., Eastern Time, on January 10, 2023. A total of 4,038,114 Class E Warrants were tendered under the tender offer, representing approximately 47% of the outstanding Class E Warrants.

ITEM 16F. CHANGE IN REGISTRANT'S CERTIFYING ACCOUNTANT

Ernst & Young (Hellas) Certified Auditors Accountants S.A. served as our independent auditor for the fiscal years ended 2021 and 2020.

As previously reported on our Form 6-K filed with the SEC on June 3, 2022, on May 23, 2022, our audit committee and board of directors, approved the engagement of Deloitte Certified Public Accountants S.A. to audit our financial statements for the fiscal year ended December 31, 2022.

ITEM 16G. CORPORATE GOVERNANCE

As a foreign private issuer, as defined in Rule 3b-4 under the Exchange Act, the Company is permitted to follow certain corporate governance rules of its home country in lieu of Nasdaq's corporate governance rules. The Company's corporate governance practices deviate from Nasdaq's corporate governance rules in the following ways:

- In lieu of obtaining shareholder approval prior to the issuance of designated securities or the adoption of equity compensation plans or material amendments to such equity compensation plans, we will comply with provisions of the BCA, providing that the board of directors approve share issuances and adoptions of and material amendments to equity compensation plans. Likewise, in lieu of obtaining shareholder approval prior to the issuance of securities in certain circumstances, consistent with the BCA and our restated articles of incorporation, as amended, and third amended and restated bylaws, the board of directors approves certain share issuances.
- The Company's board of directors is not required to have an Audit Committee comprised of at least three members. Our Audit Committee is comprised of two members.
- The Company's board of directors is not required to meet regularly in executive sessions without management present.
- As a foreign private issuer, we are not required to solicit proxies or provide proxy statements to Nasdaq pursuant to Nasdaq corporate governance rules or Marshall Islands law. Consistent with Marshall Islands law and as provided in our third amended and restated bylaws, we will notify our shareholders of meetings between 15 and 60 days before the meeting. This notification will contain, among other things, information regarding business to be transacted at the meeting.

Other than as noted above, we are in full compliance with all other applicable Nasdaq corporate governance standards.

ITEM 16H. MINE SAFETY DISCLOSURE

Not applicable.

ITEM 16I. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS.

Not applicable.

PART III

ITEM 17. FINANCIAL STATEMENTS

See Item 18.

ITEM 18. FINANCIAL STATEMENTS

The financial information required by this item, together with the report of Deloitte Certified Public Accountants S.A., is set forth on pages F-1 through F-47 and are filed as part of this annual report.

ITEM 19. EXHIBITS

Exhibit Number Description

1.1	Restated Articles of Incorporation⁽¹⁾
1.2	Amendment to Restated Articles of Incorporation dated June 29, 2020⁽²⁾
1.3	Amendment to Restated Articles of Incorporation dated February 15, 2023⁽³⁾
1.4	Third Amended and Restated Bylaws⁽⁴⁾
2.1	Specimen Common Stock Certificate⁽⁵⁾
2.2	Statement of Designation of the Series A Participating Preferred Shares of the Company⁽⁶⁾
2.3	Shareholders Rights Agreement, dated as of July 2, 2021, by and between Seanergy Maritime Holdings Corp. and Continental Stock Transfer & Trust Company, as Rights Agent⁽⁷⁾
2.4	Statement of Designation of the Series B Preferred Shares of the Company⁽⁸⁾
2.5	Description of Securities*
4.1	Registration Rights Agreement dated March 26, 2010 between the registrant, United Capital Investments Corp., Atrion Shipholding S.A., Plaza Shipholding Corp. and Comet Shipholding Inc.⁽⁹⁾
4.2	Registration Rights Agreement dated January 4, 2012 between the registrant, United Capital Investments Corp., Atrion Shipholding S.A., Plaza Shipholding Corp. and Comet Shipholding Inc.⁽¹⁰⁾
4.3	Registration Rights Agreement dated June 24, 2014 between the registrant, Comet Shipholding Inc. and Plaza Shipholding Corp.⁽¹¹⁾
4.4	Registration Rights Agreement dated September 29, 2014 between the registrant, Comet Shipholding Inc. and Plaza Shipholding Corp.⁽¹²⁾
4.5	Amended and Restated 2011 Equity Incentive Plan of the registrant adopted on March 27, 2023*

4.6	Form of Ship Technical Management Agreement with V.Ships Greece for the M/V <i>Friendship</i>*
4.7	Form of Ship Technical Management Agreement with V.Ships Greece for the M/V <i>Championship</i>*
4.8	Form of Ship Technical Management Agreement with Seanergy Shipmanagement⁽¹³⁾
4.9	Form of Ship Technical Management Agreement with Seanergy Shipmanagement for the M/V <i>Friendship</i>⁽¹⁴⁾
4.10	Commercial Management Agreement dated March 2, 2015 between Seanergy Management Corp. and Fidelity Marine Inc.⁽¹⁵⁾
4.11	Amendment No. 1 dated September 11, 2015 between Seanergy Management Corp. and Fidelity Marine Inc. with respect to the Commercial Management Agreement dated March 2, 2015⁽¹⁶⁾
4.12	Amendment No. 2 dated as of February 24, 2016 between Seanergy Management Corp. and Fidelity Marine Inc. with respect to the Commercial Management Agreement dated March 2, 2015⁽¹⁷⁾
4.13	Amendment No. 3 dated February 1, 2018 between Seanergy Management Corp. and Fidelity Marine Inc. with respect to the Commercial Management Agreement dated March 2, 2015⁽¹⁸⁾
4.14	Amendment No. 4 dated June 28, 2018 between Seanergy Management Corp. and Fidelity Marine Inc. with respect to the Commercial Management Agreement dated March 2, 2015⁽¹⁹⁾
4.15	Amendment No. 5 dated November 3, 2021 between Seanergy Management Corp. and Fidelity Marine Inc. with respect to the Commercial Management Agreement dated March 2, 2015⁽²⁰⁾
4.16	Registration Rights Agreement dated March 12, 2015 between the registrant and Stamatios Tsantanis⁽²¹⁾
4.17	Revolving Convertible Note dated September 7, 2015 of the registrant to Jelco Delta Holding Corp.⁽²²⁾
4.18	First Amendment dated December 1, 2015 between the registrant and Jelco Delta Holding Corp. with respect to the Revolving Convertible Note dated September 7, 2015⁽²³⁾
4.19	Second Amendment dated December 14, 2015 between the registrant and Jelco Delta Holding Corp. with respect to the Revolving Convertible Note dated September 7, 2015⁽²⁴⁾
4.20	Third Amendment dated January 27, 2016 between the registrant and Jelco Delta Holding Corp. with respect to the Revolving Convertible Note dated September 7, 2015⁽²⁵⁾
4.21	Fourth Amendment dated March 7, 2016 between the registrant and Jelco Delta Holding Corp. with respect to the Revolving Convertible Note dated September 7, 2015⁽²⁶⁾
4.22	Fifth Amendment dated April 21, 2016 between the registrant and Jelco Delta Holding Corp. with respect to the Revolving Convertible Note dated September 7, 2015⁽²⁷⁾
4.23	Sixth Amendment dated May 17, 2016 between the registrant and Jelco Delta Holding Corp. with respect to the Revolving Convertible Note dated September 7, 2015⁽²⁸⁾
4.24	Seventh Amendment dated June 16, 2016 between the registrant and Jelco Delta Holding Corp. with respect to the Revolving Convertible Note dated September 7, 2015⁽²⁹⁾
4.25	Eighth Amendment dated March 28, 2017 between the registrant and Jelco Delta Holding Corp. with respect to the Revolving Convertible Note dated September 7, 2015⁽³⁰⁾
4.26	Mutual Consent dated September 8, 2017 between the registrant and Jelco Delta Holding Corp. with respect to the Revolving Convertible Note dated September 7, 2015⁽³¹⁾
4.27	Ninth Amendment dated September 27, 2017 between the registrant and Jelco Delta Holding Corp. with respect to the Revolving Convertible Note dated September 7, 2015⁽³²⁾
4.28	Tenth Amendment dated September 1, 2018 between the registrant and Jelco Delta Holding Corp. with respect to the Revolving Convertible Note dated September 7, 2015⁽³³⁾
4.29	Eleventh Amendment dated March 26, 2019 between the registrant and Jelco Delta Holding Corp. with respect to the Revolving Convertible Note dated September 7, 2015⁽³⁴⁾

4.30	Twelfth Amendment dated May 29, 2019 between the registrant and Jelco Delta Holding Corp. with respect to the Revolving Convertible Note dated September 7, 2015⁽³⁵⁾
4.31	Omnibus Supplemental Agreement relating to, inter alia, the revolving convertible notes, dated as of December 31, 2020 between the registrant, Partner Shipping Co. Limited (formerly known as Partner Marine Co.), Emperor Holding Ltd. and Jelco Delta Holding Corp.⁽³⁶⁾
4.32	Bareboat Charterparty dated June 28, 2018 between Knight Ocean Navigation Co. and Hanchen Limited⁽³⁷⁾
4.33	Guarantee dated June 28, 2018 between the registrant and Hanchen Limited⁽³⁸⁾
4.34	Sale and Purchase Agreement dated September 19, 2018 between Seenergy Management Corp. and Hyundai Materials Corporation⁽³⁹⁾
4.35	Addendum No. 1 to Sale and Purchase Agreement dated September 28, 2018 between Seenergy Management Corp. and Hyundai Materials Corporation in respect of the Sale and Purchase Agreement dated September 19, 2018⁽⁴⁰⁾
4.36	Bareboat Charter Agreement dated November 7, 2018 between Cargill International SA and Champion Marine Co. for the MV <i>Championship</i>⁽⁴¹⁾
4.37	Registration Rights Agreement dated November 7, 2018 between the registrant and Cargill International SA⁽⁴²⁾
4.38	Guarantee and Indemnity dated November 7, 2018 between the registrant and Cargill International SA⁽⁴³⁾
4.39	Securities Purchase Agreement by and between the registrant and Jelco Delta Holding Corp. dated May 9, 2019⁽⁴⁴⁾
4.40	Registration Rights Agreement by and between the registrant and Jelco Delta Holding Corp. dated May 9, 2019⁽⁴⁵⁾
4.41	Bareboat Charter Agreement dated May 11, 2021 between with Cargill International SA and Flag Marine Co. for the MV <i>Flagship</i>⁽⁴⁶⁾
4.42	Guarantee and Indemnity in respect of Flagship dated May 11, 2021 between the registrant and Cargill International SA⁽⁴⁷⁾
4.43	Bareboat Charter dated June 22, 2021 between Sea 241 Leasing Co. Limited and Hellas Ocean Navigation Co. for the MV <i>Hellaship</i>⁽⁴⁸⁾
4.44	Guarantee in respect of Hellaship dated June 22, 2021 between the registrant and Sea 241 Leasing Co. Limited⁽⁴⁹⁾
4.45	Bareboat Charter dated June 22, 2021 between Sea 242 Leasing Co. Limited and Patriot Shipping Co. for the MV <i>Patriotship</i>⁽⁵⁰⁾
4.46	Guarantee in respect of Patriotship dated June 22, 2021 between the registrant and Sea 242 Leasing Co. Limited⁽⁵¹⁾
4.47	Facility Agreement dated August 9, 2021 between Friend Ocean Navigation Co., Lord Ocean Navigation Co., Squire Ocean Navigation Co. and Alpha Bank S.A.⁽⁵²⁾
4.48	First Supplemental Letter dated December 1, 2021 with respect to the Facility Agreement dated August 9, 2021⁽⁵³⁾
4.49	First Supplemental Agreement dated June 30, 2022 between the registrant, Duke Shipping Co. and Friend Ocean Navigation Co., Lord Ocean Navigation Co., Squire Ocean Navigation Co. and Alpha Bank S.A. with respect to the Facility Agreement dated August 9, 2021*
4.50	Facility Agreement dated December 20, 2021 between the registrant, Sea Genius Shipping Co., and Sinopac Capital International (HK) Limited⁽⁵⁴⁾
4.51	Bareboat Charter Agreement dated February 25, 2022 between Artemis Lease 01 Limited and Partner Marine Co. for the MV <i>Partnership</i>⁽⁵⁵⁾
4.52	Performance Guarantee in respect of the MV <i>Partnership</i> between the registrant and Artemis Lease 01 Limited dated February 25, 2022⁽⁵⁶⁾
4.53	Facility Agreement dated June 21, 2022 between Duke Shipping Co. and Alpha Bank S.A.*
4.54	Facility Agreement dated June 22, 2022 between the registrant, World Shipping Co., Honor Shipping Co. and Piraeus Bank S.A.*
4.55	Facility Agreement dated October 10, 2022 between the registrant, Fellow Shipping Co., Premier Marine Co. and Danish Ship Finance A/S*

4.56	Facility Agreement dated December 15, 2022 between Paros Ocean Navigation Co. and Alpha Bank S.A.*
4.57	Class D Warrant Agency Agreement dated April 2, 2020 by and between Continental Stock Transfer & Trust Company and the registrant⁽⁵⁷⁾
4.58	Form of Class D Warrant Certificate⁽⁵⁸⁾
4.59	Bareboat Charter Agreement dated March 29, 2023 between Great Something Co, Ltd. and Knight Ocean Navigation Co. for the MV Knightship*
4.60	Addendum to the Bareboat Charter Agreement dated March 29, 2023 between Great Something Co., Ltd. and Knight Ocean Navigation Co. for the MV Knightship, dated March 29, 2023*
4.61	Charterer Performance Guarantee in respect of the MV Knightship dated March 29, 2023 between the registrant and Great Something Co., Ltd.*
4.62	Representative's Warrant⁽⁵⁹⁾
4.63	Form of Class E Warrant Agency Agreement by and between the registrant and Continental Stock Transfer & Trust Company⁽⁶⁰⁾
4.64	Form of Class E Warrant⁽⁶¹⁾
4.65	Securities Purchase Agreement dated as of December 30, 2020 between the registrant and Jelco Delta Holding Corp.⁽⁶²⁾
4.66	Registration Rights Agreement dated as of December 31, 2020 between the registrant and Jelco Delta Holding Corp.⁽⁶³⁾
4.67	Form of Technical Management Agreement with Seanergy Shipmanagement Corp. for dry bulk vessels of United Maritime Corporation*
4.68	Contribution and Conveyance Agreement dated July 5, 2022 between the registrant and United Maritime Corporation*
4.69	Right of First Refusal and First Offer Agreement between the registrant and United Maritime Corporation*
4.70	Master Management Agreement dated July 5, 2022 between the registrant and United Maritime Corporation*
4.71	Commercial Management Agreement dated July 5, 2022 between Seanergy Management Corp. and United Maritime Corporation*
8.1	List of Subsidiaries*
12.1	Certificate of Principal Executive Officer pursuant to Rule 13a-14(a) of the Exchange Act*
12.2	Certificate of Principal Financial Officer pursuant to Rule 13a-14(a) of the Exchange Act*
13.1	Certificate of Principal Executive Officer pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002*
13.2	Certificate of Principal Financial Officer pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002*
15.1	Consent of Deloitte Certified Public Accountants S.A.*
15.2	Consent of Ernst & Young (Hellas) Certified Auditors-Accountants S.A.*
101	The following financial information from the registrant's annual report on Form 20-F for the fiscal year ended December 31, 2022, formatted in Extensible Business Reporting Language (XBRL)* (1) Consolidated Balance Sheets as of December 31, 2022 and 2021; (2) Consolidated Statements of Income/(loss) for the years ended December 31, 2022, 2021 and 2020; (3) Consolidated Statements of Shareholders' (Deficit) / Equity for the years ended December 31, 2022, 2021 and 2020; and (4) Consolidated Statements of Cash Flows for the years ended December 31, 2022, 2021 and 2020.

*Filed herewith

- (1) Incorporated herein by reference to Exhibit 3.1 to the registrant's report on Form 6-k filed with the Commission on August 30, 2019.
- (2) Incorporated herein by reference to Exhibit 3.2 to the registrant's registration statement on Form F-1 filed with the Commission on February 19, 2021.
- (3) Incorporated herein by reference to Exhibit 3.8 to the registrant's report on Form 6-K filed with the Commission on February 15, 2023.
- (4) Incorporated herein by reference to Exhibit 99.2 to the registrant's report on Form 6-K furnished with the Commission on September 25, 2020.
- (5) Incorporated herein by reference to Exhibit 4.1 to the registrant's report on Form 6-K filed with the Commission on February 15, 2023.
- (6) Incorporated herein by reference to Exhibit 3.1 to the registrant's report on Form 6-K filed with the Commission on July 2, 2021.
- (7) Incorporated herein by reference to Exhibit 4.1 to the registrant's report on Form 6-K filed with the Commission on July 2, 2021.
- (8) Incorporated herein by reference to Exhibit 99.4 to the registrant's report on Form 6-K filed with the Commission on December 10, 2021.
- (9) Incorporated herein by reference to Exhibit 4.1 to the registrant's annual report on Form 20-F filed with the Commission on April 28, 2017.
- (10) Incorporated herein by reference to Exhibit 4.2 to the registrant's annual report on Form 20-F filed with the Commission on April 28, 2017.
- (11) Incorporated herein by reference to Exhibit C to the Schedule 13D/A related to the registrant filed by United Capital Investments Corp. with the Commission on September 12, 2014.
- (12) Incorporated herein by reference to Exhibit D to the Schedule 13D related to the registrant filed by Jelco Delta Holding Corp. with the Commission on March 12, 2015.
- (13) Incorporated herein by reference to Exhibit 4.10 to the registrant's annual report on Form 20-F filed with the Commission on March 31, 2022.
- (14) Incorporated herein by reference to Exhibit 4.11 to the registrant's annual report on Form 20-F filed with the Commission on March 31, 2022.
- (15) Incorporated herein by reference to Exhibit 4.52 to the registrant's annual report on Form 20-F filed with the Commission on April 21, 2015.
- (16) Incorporated herein by reference to Exhibit 4.14 to the registrant's annual report on Form 20-F filed with the Commission on April 20, 2016.
- (17) Incorporated herein by reference to Exhibit 4.15 to the registrant's annual report on Form 20-F filed with the Commission on April 20, 2016.
- (18) Incorporated herein by reference to Exhibit 4.13 to the registrant's annual report on Form 20-F filed with the Commission on March 7, 2018.
- (19) Incorporated herein by reference to Exhibit 4.19 to the registrant's annual report on Form 20-F filed with the Commission on March 25, 2019.
- (20) Incorporated herein by reference to Exhibit 4.17 to the registrant's annual report on Form 20-F filed with the Commission on March 31, 2022.
- (21) Incorporated herein by reference to Exhibit 4.58 to the registrant's annual report on Form 20-F filed with the Commission on April 21, 2015.
- (22) Incorporated herein by reference to Exhibit B to the Schedule 13D/A related to the registrant filed by Jelco Delta Holding Corp. with the Commission on October 29, 2015.
- (23) Incorporated herein by reference to Exhibit C to the Schedule 13D/A related to the registrant filed by Jelco Delta Holding Corp. with the Commission on December 29, 2015.

- (24) Incorporated herein by reference to Exhibit D to the Schedule 13D/A related to the registrant filed by Jelco Delta Holding Corp. with the Commission on December 29, 2015.
- (25) Incorporated herein by reference to Exhibit A to the Schedule 13D/A related to the registrant filed by Jelco Delta Holding Corp. with the Commission on February 11, 2016.
- (26) Incorporated herein by reference to Exhibit A to the Schedule 13D/A related to the registrant filed by Jelco Delta Holding Corp. with the Commission on March 14, 2016.
- (27) Incorporated herein by reference to Exhibit 10.1 to the registrant's report on Form 6-K filed with the Commission on August 5, 2016.
- (28) Incorporated herein by reference to Exhibit 10.2 to the registrant's report on Form 6-K filed with the Commission on August 5, 2016.
- (29) Incorporated herein by reference to Exhibit 10.3 to the registrant's report on Form 6-K filed with the Commission on August 5, 2016.
- (30) Incorporated herein by reference to Exhibit A to the Schedule 13D/A related to the registrant filed by Jelco Delta Holding Corp. with the Commission on April 7, 2017.
- (31) Incorporated herein by reference to Exhibit 10.34 to the registrant's registration statement on Form F-1 filed with the Commission on October 20, 2017.
- (32) Incorporated herein by reference to Exhibit C to the Schedule 13D/A related to the registrant filed by Jelco Delta Holding Corp. with the Commission on October 20, 2017.
- (33) Incorporated herein by reference to Exhibit 10.41 to the registrant's registration statement on Form F-1 filed with the Commission on November 8, 2018.
- (34) Incorporated herein by reference to Exhibit 10.48 to the registrant's registration statement on Form F-1/A filed with the Commission on April 5, 2019.
- (35) Incorporated herein by reference to Exhibit 4.51 to the registrant's annual report on Form 20-F filed with the Commission on March 5, 2020.
- (36) Incorporated herein by reference to Exhibit 99.7 to the registrant's report on Form 6-K furnished with the Commission on January 15, 2021.
- (37) Incorporated herein by reference to Exhibit 10.82 to the registrant's registration statement on Form F-1 filed with the Commission on November 8, 2018.
- (38) Incorporated herein by reference to Exhibit 4.77 to the registrant's annual report on Form 20-F filed with the Commission on March 25, 2019.
- (39) Incorporated herein by reference to Exhibit 10.89 to the registrant's registration statement on Form F-1 filed with the Commission on November 8, 2018.
- (40) Incorporated herein by reference to Exhibit 10.90 to the registrant's registration statement on Form F-1 filed with the Commission on November 8, 2018.
- (41) Incorporated herein by reference to Exhibit 4.92 to the registrant's annual report on Form 20-F filed with the Commission on March 25, 2019.

- (42) Incorporated herein by reference to Exhibit 4.93 to the registrant's annual report on Form 20-F filed with the Commission on March 25, 2019.
- (43) Incorporated herein by reference to Exhibit 4.94 to the registrant's annual report on Form 20-F filed with the Commission on March 25, 2019.
- (44) Incorporated herein by reference to Exhibit 4.4 to the registrant's report on Form 6-K filed with the Commission on May 17, 2019.
- (45) Incorporated herein by reference to Exhibit 4.5 to the registrant's report on Form 6-K filed with the Commission on May 17, 2019.
- (46) Incorporated herein by reference to Exhibit 4.53 to the registrant's annual report on Form 20-F filed with the Commission on March 31, 2022.
- (47) Incorporated herein by reference to Exhibit 4.54 to the registrant's annual report on Form 20-F filed with the Commission on March 31, 2022.
- (48) Incorporated herein by reference to Exhibit 4.55 to the registrant's annual report on Form 20-F filed with the Commission on March 31, 2022.
- (49) Incorporated herein by reference to Exhibit 4.56 to the registrant's annual report on Form 20-F filed with the Commission on March 31, 2022.
- (50) Incorporated herein by reference to Exhibit 4.57 to the registrant's annual report on Form 20-F filed with the Commission on March 31, 2022.
- (51) Incorporated herein by reference to Exhibit 4.58 to the registrant's annual report on Form 20-F filed with the Commission on March 31, 2022.
- (52) Incorporated herein by reference to Exhibit 4.59 to the registrant's annual report on Form 20-F filed with the Commission on March 31, 2022.
- (53) Incorporated herein by reference to Exhibit 4.60 to the registrant's annual report on Form 20-F filed with the Commission on March 31, 2022.
- (54) Incorporated herein by reference to Exhibit 4.62 to the registrant's annual report on Form 20-F filed with the Commission on March 31, 2022.
- (55) Incorporated herein by reference to Exhibit 4.63 to the registrant's annual report on Form 20-F filed with the Commission on March 31, 2022.
- (56) Incorporated herein by reference to Exhibit 4.64 to the registrant's annual report on Form 20-F filed with the Commission on March 31, 2022.
- (57) Incorporated herein by reference to Exhibit 4.1 to the registrant's report on Form 6-K furnished with the Commission on April 3, 2020.
- (58) Incorporated herein by reference to Exhibit 4.2 to the registrant's report on Form 6-K furnished with the Commission on April 3, 2020.

- (59) Incorporated herein by reference to Exhibit 4.4 to the registrant's report on Form 6-K furnished with the Commission on April 3, 2020.
- (60) Incorporated herein by reference to Exhibit 4.1 to the registrant's report on Form 6-K furnished to the Commission on August 19, 2020.
- (61) Incorporated herein by reference to Exhibit 4.2 to the registrant's report on Form 6-K furnished to the Commission on August 19, 2020.
- (62) Incorporated herein by reference to Exhibit 99.2 to the registrant's report on Form 6-K furnished with the Commission on January 15, 2021.
- (63) Incorporated herein by reference to Exhibit 99.3 to the registrant's report on Form 6-K furnished with the Commission on January 15, 2021.

SIGNATURES

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this annual report on its behalf.

SEANERGY MARITIME HOLDINGS CORP.

By: /s/ Stamatios Tsantanis
Name: Stamatios Tsantanis
Title: Chairman & Chief Executive Officer

Date: March 31, 2023

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and the Board of Directors of Seenergy Maritime Holdings Corp.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheet of Seenergy Maritime Holdings Corp. (the “Company”) as of December 31, 2022, the related consolidated statement of operations, stockholders’ equity, and cash flows, for the year ended December 31, 2022, and the related notes (collectively referred to as the “financial statements”). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022, and the results of its operations and its cash flows for the year ended December 31, 2022, in conformity with accounting principles generally accepted in the United States of America.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company’s internal control over financial reporting as of December 31, 2022, based on criteria established in Internal Control — Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated March 31, 2023, expressed an unqualified opinion on the Company’s internal control over financial reporting.

Basis for Opinion

These financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on the Company’s financial statements based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audit included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current-period audit of the financial statements that was communicated or required to be communicated to the audit committee and that (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Impairment of Long-Lived Assets (Vessels)– Future Charter Rates – Refer to Note 2 of the consolidated financial statements.

Critical Audit Matter Description

The Company’s evaluation of its vessels for impairment involves an initial assessment of each vessel to determine whether events or changes in circumstances exist that may indicate that the carrying amount of the vessel is greater than its fair value and may no longer be recoverable. Total vessels carrying value as of December 31, 2022 was \$434.1 million.

If indicators of impairment exist for a vessel, the Company determines the recoverable amount by estimating the undiscounted future cash flows associated with the vessel. If the carrying value of the vessel (plus the unamortized dry-docking costs) exceeds its undiscounted future net cash flows, the carrying value of the vessel is reduced to its fair value. The undiscounted cash flows incorporate various factors and significant assumptions, including estimated future charter rates for Capesize bulkers. Future charter rates reflect the estimated charter revenues which are based on a combination of charter rates estimates for the first calendar year, and the 10-year average historical charter earnings, of similar size vessels, excluding outliers for the period thereafter up to the end of the estimated useful life of the vessel. The estimated future charter rates are then adjusted for estimated commissions, expected off hires due to scheduled maintenance and estimated unexpected off hires and also adding an estimated premium for vessels with installed scrubbers, if applicable.

We identified future charter rates used in the undiscounted future cash flows analysis as a critical audit matter because of the complex judgements made by management to estimate future charter rates and the significant impact they have on undiscounted cash flows expected to be generated over the remaining useful life of the vessel. This required a high degree of auditor judgment and an increased extent of effort when performing audit procedures to evaluate the reasonableness of management’s projected charter rates.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to the future charter rates utilized in the undiscounted future cash flows included the following among others:

- We tested the effectiveness of controls over management’s review of the impairment analysis, including the future charter rates used within the undiscounted future cash flows analysis.
- We evaluated the reasonableness of the Company’s estimate of future charter rates by:
 - o Evaluating the Company’s methodology for estimating the future charter rates utilized. For the first calendar year the Company estimates the daily future charter rate using the average of two published third party estimates. For the periods thereafter the Company bases its estimate on a published third party’s average 10-year historical daily charter earnings of similar size vessels excluding outliers. These future charter rates are then adjusted for estimated commissions, expected off hires due to scheduled maintenance, estimated unscheduled off hires and estimated premium for vessels with installed scrubbers.
 - o Comparing the future charter rates utilized in the undiscounted future cash flow analysis to a) historical rate information for Capezise bulkers published by third parties, b) the Company’s budget, c) other external market sources, including analysts’ reports, d) market reports on spreads on marine fuel (for determination of premium for scrubber fitted vessels), reports on prospective market outlook, and e) the Company’s historical records to assess estimated commissions and off hires.
 - o Considering the consistency of the assumptions used with evidence obtained in other areas of the audit. This included, among others, 1) internal communications by management to the board of directors, and 2) external communications by management to analysts and investors.

/s/ Deloitte Certified Public Accountants S.A.

Athens, Greece

March 31, 2023

We have served as the Company’s auditor since 2022.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholders and the Board of Directors of Seanergy Maritime Holdings Corp.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheet of Seanergy Maritime Holdings Corp. (the Company) as of December 31, 2021, the related consolidated statements of operations, stockholders' equity and cash flows for each of the two years in the period ended December 31, 2021, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2021, and the results of its operations and its cash flows for each of the two years in the period ended December 31, 2021, in conformity with U.S. generally accepted accounting principles.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

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

We served as the Company's auditor from 2012 to 2022.

Athens, Greece
March 31, 2022,

except for the retroactive effect of the reverse stock split effected on February 16, 2023, described in Note 1 to the consolidated financial statements, as to which the date is March 31, 2023

Seanergy Maritime Holdings Corp.
 Consolidated Balance Sheets
 December 31, 2022 and 2021
(In thousands of US Dollars, except for share and per share data)

		<u>2022</u>	<u>2021</u>
ASSETS			
Current assets:			
Cash and cash equivalents	4	26,027	41,496
Term deposits		-	1,500
Restricted cash	4,7	1,650	1,180
Accounts receivable trade, net	12	720	-
Inventories	5	1,995	1,448
Prepaid expenses		1,096	1,118
Due from related parties	3	829	-
Assets held for sale	6	28,252	-
Other current assets		1,075	434
Total current assets		<u>61,644</u>	<u>47,176</u>
Fixed assets:			
Vessels, net	6	434,133	426,062
Other fixed assets, net		412	405
Total fixed assets		<u>434,545</u>	<u>426,467</u>
Other non-current assets:			
Deposits assets, non-current		1,325	1,325
Deferred charges and other investments, non-current	2	10,759	8,613
Restricted cash, non-current	4, 7	4,800	2,950
Operating lease, right-of-use asset	10	499	650
Other non-current assets		28	30
TOTAL ASSETS		<u>513,600</u>	<u>487,211</u>
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current liabilities:			
Current portion of long-term debt and other financial liabilities, net of deferred finance costs and debt discounts of \$1,856 and \$1,347, respectively	7	35,051	68,473
Debt related to assets held for sale, net of deferred finance costs of \$110 and \$NIL, respectively	7	12,990	-
Current portion of convertible notes, net of deferred finance costs and debt discounts of \$332 and \$1,046, respectively	8	10,833	769
Liability from contract with related party	3,6	12,688	-
Trade accounts and other payables		7,826	5,762
Accrued liabilities		8,374	5,173
Operating lease liability	10	108	121
Deferred revenue	12	2,232	7,735
Other current liabilities	11,16	4,548	-
Total current liabilities		<u>94,650</u>	<u>88,033</u>
Non-current liabilities:			
Long-term debt and other financial liabilities, net of current portion and deferred finance costs and debt discounts of \$1,871 and \$2,030, respectively	7	196,825	146,701
Convertible notes, non-current, net of current portion and deferred finance costs and debt discounts of \$NIL and \$1,597, respectively	8	-	6,804
Operating lease liability, non-current	10	391	529
Deferred revenue, non-current	12	35	538
Other liabilities, non-current		-	130
Total liabilities		<u>291,901</u>	<u>242,735</u>
Commitments and contingencies	10	-	-
STOCKHOLDERS' EQUITY			
Preferred stock, \$0.0001 par value; 25,000,000 shares authorized; 20,000 and NIL shares issued and outstanding as at December 31, 2022 and 2021, respectively	11	-	-
Common stock, \$0.0001 par value; 500,000,000 authorized shares as at December 31, 2022 and 2021; 18,191,614 and 17,298,613 shares issued and outstanding as at December 31, 2022 and 2021, respectively	11	2	2
Additional paid-in capital	11	583,691	597,723
Accumulated deficit		(361,994)	(353,249)
Total stockholders' equity		<u>221,699</u>	<u>244,476</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY		<u>513,600</u>	<u>487,211</u>

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

Seanergy Maritime Holdings Corp.
Consolidated Statements of Operations
For the years ended December 31, 2022, 2021 and 2020
(In thousands of US Dollars, except for share and per share data)

	Notes	2022	2021	2020
Vessel revenue, net	12	122,629	153,108	63,345
Revenues from related parties	3	2,391	-	-
Revenue, net		125,020	153,108	63,345
Expenses:				
Voyage expenses	12	(4,293)	(16,469)	(18,567)
Vessel operating expenses		(43,550)	(36,332)	(22,347)
Management fees		(1,368)	(1,435)	(1,052)
General and administration expenses		(17,412)	(13,739)	(6,607)
Amortization of deferred dry-docking costs	2	(4,880)	(2,793)	(2,319)
Depreciation	6	(23,417)	(17,151)	(12,721)
Gain on sale of vessel, net	6	-	697	-
(Loss) / gain on forward freight agreements, net		(417)	24	-
Operating income / (loss)		29,683	65,910	(268)
Other income / (expenses), net:				
Interest and finance costs	12	(15,332)	(17,779)	(12,342)
Interest and finance costs – related party	12	-	-	(11,083)
Loss on extinguishment of debt	7	(1,291)	(6,863)	-
Gain on debt refinancing	7	-	-	5,144
Gain on spin-off of United Maritime Corporation	3	2,800	-	-
Interest and other income	3	1,361	161	208
Foreign currency exchange losses, net		(10)	(81)	(15)
Total other expenses, net		(12,472)	(24,562)	(18,088)
Net income / (loss) before income taxes		17,211	41,348	(18,356)
Income taxes		28	-	-
Net income/ (loss)		17,239	41,348	(18,356)
Net income / (loss) per common share, basic	13	0.97	2.70	(5.49)
Net income / (loss) per common share, diluted	13	0.96	2.50	(5.49)
Weighted average common shares outstanding, basic	13	17,439,033	15,332,191	3,343,628
Weighted average common shares outstanding, diluted	13	17,684,048	19,133,753	3,343,628

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

Seanergy Maritime Holdings Corp.
 Consolidated Statements of Stockholders' Equity
 For the years ended December 31, 2022, 2021 and 2020
(In thousands of US Dollars, except for share data)

	Preferred Stock Series B		Common stock		Additional paid-in capital	Accumulated deficit	Total stockholders' equity
	# of Shares	Par Value	# of Shares	Par Value			
Balance, January 1, 2020	-	-	168,125	-	406,099	(376,241)	29,858
Issuance of common stock (including the exercise of warrants) (Note 11)	-	-	6,647,749	1	71,834	-	71,835
Stock based compensation (Note 15)	-	-	15,625	-	869	-	869
Issuable units (Note 7, 8 & 9)	-	-	-	-	6,021	-	6,021
Change in fair value of conversion option (Note 9)	-	-	-	-	4,924	-	4,924
Issuance of options for units (Note 9)	-	-	-	-	543	-	543
Net loss	-	-	-	-	-	(18,356)	(18,356)
Balance, December 31, 2020	-	-	6,831,499	1	490,290	(394,597)	95,694
Issuance of common stock (including the exercise of warrants) (Note 11)	-	-	9,238,754	1	98,217	-	98,218
Issuance of common stock and warrants for repayment of subordinated long-term debt (Note 7)	-	-	428,571	-	3,000	-	3,000
Issuance of common stock upon conversion of convertible notes (Note 8)	-	-	300,000	-	3,600	-	3,600
Issuance of preferred shares to related party (Note 11)	20,000	-	-	-	250	-	250
Stock based compensation (Note 15)	-	-	670,000	-	5,097	-	5,097
Repurchase of common stock (Note 11)	-	-	(170,210)	-	(1,708)	-	(1,708)
Repurchase of warrants (Note 11)	-	-	-	-	(1,023)	-	(1,023)
Net income	-	-	-	-	-	41,348	41,348
Balance, December 31, 2021	20,000	-	17,298,614	2	597,723	(353,249)	244,476
Cumulative adjustment due to adoption of ASU 2020-06 (Note 8)	-	-	-	-	(21,165)	10,216	(10,949)
Issuance of common stock (including the exercise of warrants) (Note 11)	-	-	10,000	-	70	-	70
Stock based compensation (Note 15)	-	-	883,000	-	7,185	-	7,185
Repurchase of warrants (Note 11)	-	-	-	-	(122)	-	(122)
Dividends (\$1.25 per share) (Note 11)	-	-	-	-	-	(22,472)	(22,472)
United Maritime Corporation spin-off (Note 3)	-	-	-	-	-	(13,728)	(13,728)
Net income	-	-	-	-	-	17,239	17,239
Balance, December 31, 2022	20,000	-	18,191,614	2	583,691	(361,994)	221,699

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

Seanergy Maritime Holdings Corp.
 Consolidated Statements of Cash Flows
 For the years ended December 31, 2022, 2021 and 2020
 (In thousands of US Dollars)

	2022	2021	2020
Cash flows from operating activities:			
Net income/ (loss)	17,239	41,348	(18,356)
<i>Adjustments to reconcile net income (loss) to net cash provided by / (used in) operating activities:</i>			
Depreciation	23,417	17,151	12,721
Amortization of deferred dry-docking costs	4,880	2,793	2,319
Amortization of deferred finance costs and debt discounts	2,859	3,659	1,107
Amortization of convertible note beneficial conversion feature	-	2,887	5,518
Stock based compensation	7,185	5,097	869
Amortization of deferred finance costs and debt discounts – related party	-	-	201
Loss on extinguishment of debt	1,291	6,863	-
Gain on spin-off of United Maritime Corporation	(2,800)	-	-
Gain on sale of vessel, net	-	(697)	-
Gain on debt refinancing, gross of deferred financing fees and expenses	-	-	(5,556)
Fair value measurement of units issued to former related party	-	-	596
Restructuring expenses	-	-	1,015
<i>Changes in operating assets and liabilities:</i>			
Accounts receivable trade, net	(839)	801	962
Inventories	(840)	3,202	(788)
Prepaid expenses	22	22	(740)
Other current assets	(641)	240	579
Deferred voyage expenses	-	621	(525)
Deferred charges, non-current	(9,494)	(6,433)	(1,145)
Other non-current assets	2	2	(3)
Trade accounts and other payables	(589)	348	(12,398)
Accrued liabilities	2,155	2,187	3,526
Due from related parties	(595)	-	-
Deferred revenue	(5,463)	3,225	214
Deferred revenue, non-current	(503)	(2,236)	(301)
Other liabilities, non-current	-	(320)	450
Net cash provided by / (used in) operating activities	37,286	80,760	(9,735)
Cash flows from investing activities:			
Vessels acquisitions and improvements	(70,321)	(197,214)	(20,189)
Advances from related party from sale of vessels	12,688	12,600	-
Investment in Series C preferred shares	(10,000)	-	-
Proceeds from redemption of Series C preferred shares	10,000	-	-
Term deposits	1,500	100	(1,600)
Purchase of other fixed assets	(130)	(106)	(75)
Net cash used in investing activities	(56,263)	(184,620)	(21,864)
Cash flows from financing activities:			
Proceeds from issuance of common stock and warrants, net of underwriters fees and commissions	70	98,302	73,750
Proceeds from issuance of preferred stock	-	250	-
Payments for repurchase of common stock	-	(1,708)	-
Payments for repurchase of warrants	-	(1,023)	-
Proceeds from long-term debt and other financial liabilities	124,800	180,320	22,500
Dividends paid	(17,924)	-	-
Payments of financing and stock issuance costs	(1,420)	(2,698)	(3,640)
Repayments of long-term debt and other financial liabilities	(89,698)	(132,058)	(52,514)
Repayments of convertible notes	(10,000)	(13,950)	-
Repayments of related party debt	-	-	(1,000)
Net cash provided by financing activities	5,828	127,435	39,096
Net (decrease) / increase in cash and cash equivalents and restricted cash	(13,149)	23,575	7,497
Cash and cash equivalents and restricted cash at beginning of period	45,626	22,051	14,554
Cash and cash equivalents and restricted cash at end of period	32,477	45,626	22,051
SUPPLEMENTAL CASH FLOW INFORMATION			
Cash paid during the period for:			
Interest	11,710	11,166	10,270
Noncash investing activities:			
Vessels acquisitions and improvements	1,015	837	-
Noncash financing activities:			
Dividends declared but not paid (Note 11)	4,548	-	-
Units issued for repayment of subordinated long-term debt (Note 7)	-	3,000	-
Repayment of subordinated long-term debt by issuance of units (Note 7)	-	(3,000)	-
Common shares issued by conversion of notes (Note 8)	-	3,600	-
Notes reduction via conversion (Note 8)	-	(3,600)	-
Units / shares issued to settle unpaid interest in connection with financing – former related party (Note 7, 8 & 9)	-	-	4,814
Units / shares issued to settle deferred finance cost in connection with financing – former related party (Note 7 & 8)	-	-	1,374
Change in fair value of conversion option (Note 9)	-	-	4,924
Issuance of option for units (Note 9)	-	-	543

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

Seanergy Maritime Holdings Corp.
Notes To The Consolidated Financial Statements

(All amounts in footnotes in thousands of US Dollars, except for share and per share and warrants data, unless otherwise stated)

1. Basis of Presentation and General Information:

Seanergy Maritime Holdings Corp. (the “Company” or “Seanergy”) was formed under the laws of the Republic of the Marshall Islands on January 4, 2008, with executive offices located in Glyfada, Greece. The Company provides global transportation solutions in the dry bulk shipping sector through its subsidiaries.

The accompanying consolidated financial statements include the accounts of Seanergy Maritime Holdings Corp. and its subsidiaries (collectively, the “Company” or “Seanergy”).

On January 20, 2022, United Maritime Corporation (“United”) was incorporated by Seanergy (the “Parent”), under the laws of the Republic of the Marshall Islands to serve as the holding company of the vessel-owning subsidiary of the *Gloriuship* (“United Maritime Predecessor” or the “Predecessor”) upon effectiveness of the Spin Off (described below). On July 6, 2022, the Company announced that it has completed the spin-off of its wholly-owned subsidiary, United, effective July 5, 2022. United’s shares commenced trading on the Nasdaq Capital Market on July 6, 2022 under the symbol “USEA” (Note 3).

On June 30, 2020, the Company’s common stock began trading on a split-adjusted basis, following a June 25, 2020 approval from the Company’s board of directors to reverse split the Company’s common stock at a ratio of one-for-sixteen (Note 11). No fractional shares were issued in connection with the reverse split. Shareholders who would otherwise hold a fractional share of the Company’s common stock received a cash payment in lieu of such fractional share.

On February 16, 2023, the Company’s common stock began trading on a split-adjusted basis, following a February 9, 2023 approval from the Company’s board of directors to reverse split the Company’s common stock at a ratio of one-for-ten (Note 11). All share and per share amounts disclosed in the consolidated financial statements and notes give effect to this reverse stock split retroactively, for all periods presented. No fractional shares were issued in connection with the reverse split. Shareholders who would otherwise hold a fractional share of the Company’s common stock received a cash payment in lieu of such fractional share.

**Seanergy Maritime Holdings Corp.
Notes To The Consolidated Financial Statements**

(All amounts in footnotes in thousands of US Dollars, except for share and per share and warrants data, unless otherwise stated)

a. Subsidiaries in Consolidation:

Seanergy's subsidiaries included in these consolidated financial statements as of December 31, 2022:

Company	Country of Incorporation	Vessel name	Date of Delivery	Date of Sale/Disposal/Sale and leaseback
Seanergy Management Corp. (1)(2)	Marshall Islands	N/A	N/A	N/A
Seanergy Shipmanagement Corp. (1)(2)	Marshall Islands	N/A	N/A	N/A
Emperor Holding Ltd. (1)	Marshall Islands	N/A	N/A	N/A
Pembroke Chartering Services Limited (1)(3)(4)	Malta	N/A	N/A	N/A
Maritime Capital Shipping Limited (1)(4)	Bermuda	N/A	N/A	N/A
Sea Genius Shipping Co. (1)	Marshall Islands	<i>Geniuship</i>	October 13, 2015	N/A
Premier Marine Co. (1)	Marshall Islands	<i>Premiership</i>	September 11, 2015	N/A
Squire Ocean Navigation Co. (1)	Liberia	<i>Squireship</i>	November 10, 2015	N/A
Lord Ocean Navigation Co. (1)	Liberia	<i>Lordship</i>	November 30, 2016	N/A
Champion Marine Co. (1)(5)	Marshall Islands	<i>Championship</i>	November 7, 2018	N/A
Fellow Shipping Co. (1)	Marshall Islands	<i>Fellowship</i>	November 22, 2018	N/A
Friend Ocean Navigation Co. (1)	Liberia	<i>Friendship</i>	July 27, 2021	N/A
World Shipping Co. (1)	Marshall Islands	<i>Worldship</i>	August 30, 2021	N/A
Duke Shipping Co. (1)	Marshall Islands	<i>Dukeship</i>	November 26, 2021	N/A
Partner Marine Co. (1)(5)	Marshall Islands	<i>Partnership</i>	March 9, 2022	N/A
Honor Shipping Co. (1)	Marshall Islands	<i>Honorship</i>	June 27, 2022	N/A
Paros Ocean Navigation Co. (1)	Liberia	<i>Paroship</i>	December 27, 2022	N/A
Knight Ocean Navigation Co. (1)(5)	Liberia	<i>Knightship</i>	December 13, 2016	June 29, 2018
Flag Marine Co. (1)(5)	Marshall Islands	<i>Flagship</i>	May 6, 2021	May 11, 2021
Hellas Ocean Navigation Co. (1)(5)	Liberia	<i>Hellaship</i>	May 6, 2021	June 28, 2021
Patriot Shipping Co. (1)(5)	Marshall Islands	<i>Patriotship</i>	June 1, 2021	June 28, 2021
Good Ocean Navigation Co. (1)(Note 6)	Liberia	<i>Goodship</i>	August 7, 2020	February 10, 2023
Traders Shipping Co. (1)(Note 6)	Marshall Islands	<i>Tradership</i>	June 9, 2021	February 28, 2023
Gladiator Shipping Co. (1)(4)	Marshall Islands	<i>Gladiatorship</i>	September 29, 2015	October 11, 2018
Leader Shipping Co. (1)(4)	Marshall Islands	<i>Leadership</i>	March 19, 2015	September 30, 2021
Partner Shipping Co. Limited (1)(4)	Malta	<i>Partnership</i>	May 31, 2017	March 9, 2022
Martinique International Corp. (1)(4)	British Virgin Islands	<i>Bremen Max</i>	September 11, 2008	March 7, 2014
Harbour Business International Corp. (1)(4)	British Virgin Islands	<i>Hamburg Max</i>	September 25, 2008	March 10, 2014

- (1) Subsidiaries wholly owned
- (2) Management companies
- (3) Chartering services company
- (4) Dormant companies
- (5) Bareboat charters

Seanergy Maritime Holdings Corp.
Notes To The Consolidated Financial Statements

(All amounts in footnotes in thousands of US Dollars, except for share and per share and warrants data, unless otherwise stated)

2. Significant Accounting Policies:

(a) Principles of Consolidation

The accompanying consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the United States of America (U.S. GAAP) and include the accounts and operating results of Seanergy and its wholly-owned subsidiaries where Seanergy has control. Control is presumed to exist when Seanergy, through direct or indirect ownership, retains the majority of the voting interest. In addition, Seanergy evaluates its relationships with other entities to identify whether they are variable interest entities and to assess whether it is the primary beneficiary of such entities. If the determination is made that the Company is the primary beneficiary, then that entity is included in the consolidated financial statements. When the Company does not have a controlling interest in an entity, but exerts a significant influence over the entity, the Company applies the equity method of accounting. All intercompany balances and transactions have been eliminated on consolidation.

The Company deconsolidates a subsidiary or derecognizes a group of assets when the Company no longer controls the subsidiary or group of assets specified in Accounting Standards Codification (ASC or Codification) 810-10-40-3A. When control is lost, the Company derecognizes the assets and liabilities of the qualifying subsidiary or group of assets.

(b) Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant items subject to such estimates could include evaluation of relationships with other entities to identify whether they are variable interest entities, determination of vessel useful lives, allocation of purchase price in a business combination, determination of vessels' impairment and determination of goodwill impairment.

(c) Foreign Currency Translation

Seanergy's functional currency is the United States dollar since the Company's vessels operate in international shipping markets and therefore primarily transact business in U.S. Dollars. The Company's books of accounts are maintained in U.S. Dollars. Transactions involving other currencies are translated into the United States dollar using exchange rates that are in effect at the time of the transaction. At the balance sheet dates, monetary assets and liabilities, which are denominated in other currencies, are translated to United States dollars at the foreign exchange rate prevailing at year-end. Gains or losses resulting from foreign currency translation are reflected in the consolidated statement of operations.

(d) Concentration of Credit Risk

Financial instruments, which potentially subject the Company to significant concentrations of credit risk, consist principally of cash and cash equivalents and trade accounts receivable. The Company places its cash and cash equivalents, consisting mostly of deposits, with high credit qualified financial institutions. The Company performs periodic evaluations of the relative credit standing of the financial institutions in which it places its deposits. The Company limits its credit risk with accounts receivable by performing ongoing credit evaluations of the financial condition of its customers, receives charter hires in advance and generally does not require collateral for its accounts receivable.

(e) Cash and Cash Equivalents

Seanergy considers time deposits and all highly liquid investments with an original maturity of three months or less to be cash equivalents.

Seanergy Maritime Holdings Corp.
Notes To The Consolidated Financial Statements

(All amounts in footnotes in thousands of US Dollars, except for share and per share and warrants data, unless otherwise stated)

(f) Term Deposits

Seanergy classifies time deposits and all highly liquid investments with an original maturity of more than three months as Term Deposits.

(g) Restricted Cash

Restricted cash is excluded from cash and cash equivalents. Restricted cash represents minimum cash deposits or cash collateral deposits required to be maintained with certain banks under the Company's borrowing arrangements or in relation to bank guarantees issued on behalf of the Company, which are legally restricted as to withdrawal or use. In the event that the obligation relating to such deposits is expected to be terminated within the next twelve months, these deposits are classified as current assets; otherwise they are classified as non-current assets.

(h) Accounts Receivable Trade, Net

Accounts receivable trade, net at each balance sheet date, includes receivables from charterers for hire, freight and demurrage billings, net of a provision for doubtful accounts. Receivables related to spot voyages are determined to be unconditional and are included in "Accounts Receivable Trade, Net". At each balance sheet date, all potentially uncollectible accounts are assessed individually for purposes of determining the appropriate provision for doubtful accounts. Pursuant to the provisions of ASC 326, Financial Instruments—Credit Losses, the Company assesses the counterparties' credit worthiness and concluded that there is no material impact in the Company's financial statements as of December 31, 2022 and 2021. No provision for doubtful accounts was established as of December 31, 2022 and 2021.

(i) Inventories

Inventories consist of lubricants and bunkers, which are measured at the lower of cost or net realizable value. Net realizable value is defined as estimated selling prices in the ordinary course of business, less reasonably predictable costs of completion, disposal and transportation. Cost is determined by the first in, first out method.

(j) Insurance Claims

The Company records insurance claim recoveries for insured losses incurred on damage to fixed assets and for insured crew medical expenses and for legal fees covered by directors' and officers' liability insurance. Insurance claim recoveries are recorded, net of any deductible amounts, at the time the Company's fixed assets suffer insured damages or when crew medical expenses are incurred, recovery is probable under the related insurance policies, the claim is not subject to litigation and the Company can make an estimate of the amount to be reimbursed. The classification of the insurance claims into current and non-current assets is based on management's expectations as to their collection dates. No provision for credit losses was recorded as of December 31, 2022 and 2021 pursuant to the provisions of ASC 326.

(k) Vessels

Vessels acquired as a part of a business combination are recorded at fair market value on the date of acquisition. Vessels acquired as asset acquisitions are stated at historical cost, which consists of the contract price less discounts, plus any material expenses incurred upon acquisition (delivery expenses and other expenditures to prepare for the vessel's initial voyage). Subsequent expenditures for conversions and major improvements are capitalized when they appreciably extend the life, increase the earning capacity or improve the efficiency or safety of the vessels. Expenditures for routine maintenance and repairs are expensed as incurred.

In addition, other long-term investments, relating to vessels' equipment not yet installed, are included in "Deferred charges and other-long term investments, non-current" in the consolidated balance sheets. Amounts paid for this equipment are included in "Vessels acquisitions and improvements" under "Cash flows from investing activities" in the consolidated statements of cash flows.

Seanergy Maritime Holdings Corp.
Notes To The Consolidated Financial Statements

(All amounts in footnotes in thousands of US Dollars, except for share and per share and warrants data, unless otherwise stated)

(l) Vessel Depreciation

Depreciation is computed using the straight-line method over the estimated useful life of the vessels (25 years), after considering the estimated salvage value. Salvage value is estimated by the Company by taking the cost of steel times the weight of the ship noted in lightweight ton. Salvage values are periodically reviewed and revised to recognize changes in conditions, new regulations or for other reasons. Revisions of salvage values affect the depreciable amount of the vessels and affect depreciation expense in the period of the revision and future periods.

(m) Impairment of Long-Lived Assets (Vessels)

The Company reviews its long-lived assets for impairment whenever events or changes in circumstances, such as prevailing market conditions, obsolesce or damage to the asset, business plans to dispose a vessel earlier than the end of its useful life and other business plans, indicate that the carrying amount of the assets, plus any unamortized dry-docking costs, may not be recoverable. The volatile market conditions in the dry bulk market with decreased charter rates and decreased vessel market values are conditions that the Company considers to be indicators of a potential impairment for its vessels.

The Company determines undiscounted projected operating cash flows for each vessel and compares it to the vessel's carrying value, plus any unamortized dry-docking costs. When the undiscounted projected operating cash flows expected to be generated by the use of the vessel and/or its eventual disposition are less than the vessel's carrying value, plus any unamortized dry-docking costs, the Company impairs the carrying amount of the vessel. Measurement of the impairment loss is based on the fair value of the asset as determined by independent valuers and use of available market data. The undiscounted projected operating cash inflows are determined by considering the charter revenues from existing time charters for the fixed fleet days and an estimated daily time charter equivalent for the non-fixed days (based on a combination of one year charter rates estimates and the average of the trailing 10-year historical charter rates, excluding outliers) adjusted for commissions, expected off hires due to scheduled maintenance and estimated unexpected breakdown off hires, along with an estimate of an additional daily revenue for each scrubber-fitted vessel, as applicable. The undiscounted projected operating cash outflows are determined by applying various assumptions regarding vessel operating expenses and scheduled maintenance.

For the year ended December 31, 2022, indicators of impairment existed for eleven of the Company's vessels as their carrying value plus any unamortized dry-docking costs was higher than their market value. The carrying value of the Company's vessels plus any unamortized dry-docking costs for which impairment indicators existed as at December 31, 2022, was \$328,857. From the impairment exercise performed, the undiscounted projected operating cash flows expected to be generated by the use of these eleven vessels were higher than the vessels' carrying value, plus any unamortized dry-docking costs, and thus the Company concluded that no impairment charge should be recorded.

(n) Assets held for sale

The Company classifies a vessel along with associated inventories as being held for sale when all of the criteria under ASC 360, Property, Plant and Equipment, are met: (i) management has committed to a plan to sell the vessel; (ii) the vessel is available for immediate sale in its present condition; (iii) an active program to locate a buyer and other actions required to complete the plan to sell the vessel have been initiated; (iv) the sale of the vessel is probable, and transfer of the asset is expected to qualify for recognition as a completed sale within one year; (v) the vessel is being actively marketed for sale at a price that is reasonable in relation to its current fair value; and (vi) actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Vessels classified as held for sale are measured at the lower of their carrying amount or fair value less cost to sell. The resulting difference, if any, is recorded under "Impairment loss" in the consolidated statement of operations. The vessels are not depreciated once they meet the criteria to be classified as held for sale.

(o) Dry-Docking and Special Survey Costs

The Company follows the deferral method of accounting for dry-docking costs and special survey costs whereby 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. Dry-docking costs which are not fully amortized by the next dry-docking period are expensed. Amounts are included in "Deferred charges and other long-term investments, non-current".

Seanergy Maritime Holdings Corp.
Notes To The Consolidated Financial Statements

(All amounts in footnotes in thousands of US Dollars, except for share and per share and warrants data, unless otherwise stated)

(p) Commitments and Contingencies

Liabilities for loss contingencies, arising from claims, assessments, litigation, fines and penalties, environmental and remediation obligations and other sources are recorded when it is probable that a liability has been incurred and the amount of the loss can be reasonably estimated.

(q) Revenue Recognition

Revenues are generated from time charters, bareboat charters and spot charters. A time charter is a contract for the use of a vessel as well as vessel operations for a specific period of time and a specified daily charter hire rate, which is generally payable in advance. A bareboat charter is a contract in which the vessel is provided to the charterer for a fixed period of time at a specified daily rate, which is generally payable in advance. Spot charter agreements are charter hires, where a contract is made in the spot market for the use of a vessel for a specific voyage at a specified charter rate per ton of cargo.

Time charter revenue, including bareboat charter revenue, is recorded over the term of the charter agreement as the service is provided and collection of the related revenue is reasonably assured. Under a time charter, revenue is not recognized for a vessel's off hire days due to major repairs, dry dockings or special or intermediate surveys.

The Company accounts for its time charter contracts as operating leases pursuant to ASC 842 "Leases". The Company concluded that the criteria for not separating lease and non-lease components of its time charter contracts are met, since (i) the time pattern of recognizing revenues for crew and other services for the operation of the vessels is similar to the time pattern of recognizing rental income, (ii) the lease component of the time charter contracts, if accounted for separately, would be classified as an operating lease, and (iii) the predominant component in its time charter agreements is the lease component. In this respect, the Company accounts for the combined component as an operating lease in accordance with ASC 842. The Company recognizes income from lease payments over the lease term on a straight-line basis. The Company assessed its new time charter contracts at the adoption date under the new guidance and concluded that these contracts contain a lease with the related executory costs (insurance), as well as non-lease components to provide other services related to the operation of the vessel, with the most substantial service being the crew cost to operate the vessel. The Company recognizes income for variable lease payments in the period when changes in facts and circumstances on which the variable lease payments occur. Rental income on the Company's time charterers is mostly calculated at an index linked rate based on the five T/C routes rate of the Baltic Capesize Index.

Spot charter revenue is recognized on a pro-rata basis over the duration of the voyage from loading to discharge, when a voyage agreement exists, the price is fixed or determinable, service is provided and the collection of the related revenue is reasonably assured. For spot charters, the Company satisfies its single performance obligation to transfer cargo under the contract over the voyage period. The Company has taken the practical expedient not to disclose the value of unsatisfied performance obligations for contracts with an original expected length of one year or less.

Demurrage income, which is considered a form of variable consideration and is recognized as the performance obligation is satisfied, is included in voyage revenues, and represents payments by the charterer to the vessel owner when loading or discharging time exceeds the stipulated time in the voyage charter agreements.

Despatch expense, which is considered a form of variable consideration and is recognized as the performance obligation is satisfied, is included in voyage revenues, and represents payments to the charterer by the vessel owner when loading or discharging time is faster than the stipulated time in the voyage charter agreements.

Deferred revenue represents cash received in advance of performance under the contract prior to the balance sheet date and is realized when the associated revenue is recognized under the contract in periods after such date.

Seanergy Maritime Holdings Corp.
Notes To The Consolidated Financial Statements

(All amounts in footnotes in thousands of US Dollars, except for share and per share and warrants data, unless otherwise stated)

(r) Leases

Office lease

In April 2018, the Company moved into new office spaces. Under ASC 842, the lease is classified as an operating lease and a lease liability and right-of-use asset based on the present value of future minimum lease payments have been recognized on the balance sheet. The monthly rent expense is recorded in general and administration expenses. The Company has assessed the right-of-use asset for impairment, and since no impairment indicators existed, no impairment charge was recorded.

(s) Sale and Leaseback Transactions

In accordance with ASC 842, the Company, as seller-lessee, determines whether the transfer of an asset should be accounted for as a sale in accordance with ASC 606. The existence of an option for the seller-lessee to repurchase the asset precludes the accounting for the transfer of the asset as a sale unless both of the following criteria are met: (1) the exercise price of the option is the fair value of the asset at the time the option is exercised and (2) there are alternative assets, substantially the same as the transferred asset, readily available in the marketplace; and the classification of the leaseback as a finance lease or a sales-type lease, precludes the buyer-lessor from obtaining control of the asset. The existence of an obligation for the Company, as seller-lessee, to repurchase the asset precludes accounting for the transfer of the asset as sale and the transaction would be classified as a financing arrangement by the Company as it effectively retains control of the underlying asset. If the transfer of the asset meets the criteria of sale, the Company, as seller-lessee recognizes the transaction price for the sale when the buyer-lessor obtains control of the asset, derecognizes the carrying amount of the underlying asset and accounts for the lease in accordance with ASC 842. If the transfer does not meet the criteria of sale, the Company does not derecognize the transferred asset, accounts for any amounts received as a financing arrangement and recognizes the difference between the amount of consideration received and the amount of consideration to be paid as interest.

(t) Commissions

Commissions, which include address and brokerage commissions, are recognized in the same period as the respective charter revenues. Address commissions to third parties are included in "Vessel revenue, net" while brokerage commissions to third parties are included in "Voyage expenses".

(u) Vessel Voyage Expenses

Vessel voyage expenses primarily consist of port, canal, bunker expenses, brokerage commissions and other non-specified voyage expenses that are unique to a particular charter and are paid for by the charterer under time charter agreements, bareboat charters. Under a spot charter, the Company incurs and pays for certain voyage expenses, primarily consisting of bunkers consumption, brokerage commissions, port and canal costs. Under ASC 606 and after implementation of ASC 340-40 "Other assets and deferred costs" for contract costs, incremental costs of obtaining a contract with a customer, and contract fulfillment costs, are capitalized and amortized as the performance obligation is satisfied, if certain criteria are met. The Company has adopted the practical expedient not to capitalize incremental costs when the amortization period (voyage period) is less than one year. Costs to fulfill the contract prior to arriving at the load port primarily consist of bunkers which are deferred and amortized during the voyage period. Voyage costs arising as performance obligation are expensed as incurred.

(v) Repairs and Maintenance

All repair and maintenance expenses, including major overhauling and underwater inspection expenses are expensed in the year incurred. Such costs are included in "Vessel operating expenses".

Seanergy Maritime Holdings Corp.
Notes To The Consolidated Financial Statements

(All amounts in footnotes in thousands of US Dollars, except for share and per share and warrants data, unless otherwise stated)

(w) Financing Costs

Underwriting, legal and other direct costs incurred with the issuance of long-term debt or to refinance existing debt or convertible notes are deferred and amortized to interest expense over the life of the related debt using the effective interest method. The Company presents unamortized deferred financing costs as a reduction of long-term debt in the accompanying balance sheets. For the accounting of the unamortized deferred financing costs following debt extinguishment, see below (Note 2(ac)).

(x) Income Taxes

Income taxes are accounted for under the asset and liability method. Recognized income tax positions are measured at the largest amount that is greater than 50% likely of being realized. Changes in recognition or measurement are reflected in the period in which the change in judgment occurs. The Company records interest related to unrecognized tax benefits in interest expense and penalties in general and administration expenses.

Maritime Capital Shipping (HK) Limited, the Company's former management company, is subject to Hong Kong profits tax at a rate of 16.5% on the estimated assessable profit for the year. The estimated profits tax for the year ended December 31, 2022 is \$NIL.

Seanergy Management Corp. ("Seanergy Management"), the Company's management company, established in Greece under Greek Law 89/67 (as amended to date), is subject to an annual contribution calculated on the total amount of foreign exchange annually imported and converted to Euros. The contribution to be paid in 2023 by Seanergy Management for 2022 is estimated at \$110 and is included in "General and administration expenses". The contribution paid in the years ended December 2022 and 2021 was \$97 and \$93, respectively.

Seanergy Shipmanagement Corp. ("Seanergy Shipmanagement"), the Company's second management company, established in Greece under Greek Law 89/67 (as amended to date), is subject to an annual contribution calculated on the total amount of foreign exchange annually imported and converted to Euros. The contribution to be paid in 2023 by Seanergy Shipmanagement for 2022 is estimated at \$NIL. The contribution paid by Seanergy Shipmanagement in the years ended December 2022 and 2021 was \$NIL and \$NIL, respectively.

Two of the Company's subsidiaries are registered in Malta since May 23, 2018. These subsidiaries are subject to a corporate flat tax in Malta and could be subject to additional taxation in the future in Malta or other jurisdictions where the subsidiaries are incorporated or do business. The amount of any such tax imposed upon the Company's operations or on the Company's subsidiaries' operations may be material and could have an adverse effect on earnings. No tax expense has been recognized for the years presented in these financial statements.

Pursuant to the Internal Revenue Code of the United States (the "Code"), U.S. source income from the international operations of ships is generally exempt from U.S. tax if the company operating the ships meets both of the following requirements: (a) the Company is organized in a foreign country that grants an equivalent exception to corporations organized in the United States and (b) either (i) more than 50% of the value of the Company's stock is owned, directly or indirectly, by individuals who are "residents" of the Company's country of organization or of another foreign country that grants an "equivalent exemption" to corporations organized in the United States (50% Ownership Test) or (ii) the Company's stock is "primarily and regularly traded on an established securities market" in its country of organization, in another country that grants an "equivalent exemption" to United States corporations, or in the United States (Publicly-Traded Test).

Notwithstanding the foregoing, the regulations provide, in pertinent part, that each class of the Company's stock will not be considered to be "regularly traded" on an established securities market for any taxable year in which 50% or more of the vote and value of the outstanding shares of such class are owned, actually or constructively under specified stock attribution rules, on more than half the days during the taxable year by persons who each own 5% or more of the value of such class of the Company's outstanding stock ("5 Percent Override Rule").

Based on the Company's analysis of its shareholdings during 2022, the Publicly-Traded Test for the entire 2022 year has been satisfied in that less than 50% of the Company's issued and outstanding shares were held by persons who each own directly or indirectly 5% or more of the vote and value of such class of stock for more than half the days during the 2022 taxable year. Effectively, the Company and each of its subsidiaries qualify for this statutory tax exemption for the 2022 taxable year.

Seanergy Maritime Holdings Corp.
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(All amounts in footnotes in thousands of US Dollars, except for share and per share and warrants data, unless otherwise stated)

Certain charterparties of the Company contain clauses that permit the Company to seek reimbursement from charterers of any U.S. tax paid. The Company has in the past sought reimbursement and has secured payment from most of its charterers. The Company's U.S. federal income tax based on its U.S. source shipping income for 2022, 2021 and 2020, taking into consideration charterers' reimbursement, was \$NIL, \$NIL and \$NIL, respectively.

(y) Stock-based Compensation

Stock-based compensation represents vested and non-vested common stock granted to directors and employees for their services as well as to non-employees. The Company calculates stock-based compensation expense for the award based on its fair value on the grant date and recognizes it on an accelerated basis over the vesting period. The Company assumes that all non-vested shares will vest. The Company accounts for forfeitures when incurred.

(z) Earnings (Losses) per Share

Basic earnings (losses) per common share are computed by dividing net income (loss) available to Seanergy's shareholders by the weighted average number of common shares outstanding during the period. Unvested shares granted under the Company's incentive plan, or other, are entitled to receive dividends which are not refundable, even if such shares are forfeited, and therefore are considered participating securities for basic earnings per share calculation purposes, using the two-class method. Diluted earnings (losses) per share reflects the potential dilution that could occur if securities or other contracts to issue common stock were exercised or converted at the beginning of the periods presented, or issuance date, if later. The treasury stock method is used to compute the dilutive effect of warrants and shares issued under the Equity Incentive Plan. The if-converted method is used to compute the dilutive effect of shares which could be issued upon conversion of the convertible notes. Potential common shares that have an anti-dilutive effect (i.e., those that increase income per share or decrease loss per share) are excluded from the calculation of diluted earnings per share.

(aa) Segment Reporting

Seanergy reports financial information and evaluates its operations by total charter revenues and not by the length of vessel employment, customer, or type of charter. As a result, management, including the chief operating decision maker, reviews operating results solely by revenue per day and operating results of the fleet and thus, Seanergy has determined that it operates under one reportable segment. Furthermore, when Seanergy charters a vessel to a charterer, the charterer is free to trade the vessel worldwide and, as a result, disclosure of geographic information is impracticable.

(ab) Fair Value Measurements

The Company follows the provisions of ASC 820, *Fair Value Measurement*, which defines fair value and provides guidance for using fair value to measure assets and liabilities. The guidance creates a fair value hierarchy of measurement and describes fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants in the market in which the reporting entity transacts. In accordance with the requirements of accounting guidance relating to Fair Value Measurements, the Company classifies and discloses its assets and liabilities carried at the fair value in one of the following categories:

- Level 1: Quoted market prices in active markets for identical assets or liabilities;
- Level 2: Observable market based inputs or unobservable inputs that are corroborated by market data;
- Level 3: Unobservable inputs that are not corroborated by market data.

Seanergy Maritime Holdings Corp.
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(All amounts in footnotes in thousands of US Dollars, except for share and per share and warrants data, unless otherwise stated)

(ac) Debt Modifications and Extinguishments

Costs associated with new loans or debt modifications, including fees paid to lenders or required to be paid to third parties on the lender's behalf for obtaining new loans or refinancing existing loans, are recorded as deferred charges. Costs paid directly to third parties are expensed as incurred. Deferred financing costs are presented as a deduction from the corresponding liability. Such fees are deferred and amortized to interest and finance costs during the life of the related debt using the effective interest method. Unamortized fees relating to loans repaid or refinanced, meeting the criteria of debt extinguishment, are expensed in the period the repayment or refinancing is made. In particular, ASC 470-50-40-2 indicates that for extinguishments of debt, the difference between the reacquisition price and the net carrying amount of the extinguished debt (which includes any deferred debt issuance costs) should be recognized as a gain or loss when the debt is extinguished and identified as a separate item.

(ad) Convertible Notes and related Beneficial Conversion Features

The convertible notes were accounted for in accordance with ASC 470-20 "Debt with Conversion and Other Options" until December 31, 2021. Under the provisions of ASC 470-20, the terms of each convertible note included an embedded conversion feature which provided for a conversion at the option of the holder into shares of common stock at a predetermined rate. The Company determined that the conversion features were beneficial conversion features ("BCF") pursuant to ASC 470-20. The Company considered the BCF guidance only after determining that the features did not need to be bifurcated under ASC 815 "Derivatives and Hedging" or separately accounted for under the cash conversion literature of ASC 470-20. Accounting for an embedded BCF in a convertible instrument under ASC 470-20 required that the BCF be recognized separately at issuance by allocating a portion of the proceeds equal to the intrinsic value of the BCF to additional paid-in capital, resulting in a discount on the convertible instrument. As from January, 1, 2022, the Company follows the provisions of No. 2020-06 (see below under Recent Accounting Pronouncements Adopted).

(ac) Going Concern

In August 2014, the Financial Accounting Standards Board ("FASB") issued ASU No. 2014-15, *Presentation of Financial Statements - Going Concern*. ASU No. 2014-15 provides guidance on management's responsibility in evaluating whether there is substantial doubt about a company's ability to continue as a going concern and on related required footnote disclosures. For each reporting period, management is required to evaluate whether there are conditions or events that raise substantial doubt about the Company's ability to continue as a going concern within one year from the date the financial statements are issued.

At December 31, 2022, the Company had a working capital deficit of \$33,006, which include liabilities amounting to \$12,688 relating to cash deposit received from United for sale of vessels and an amount of \$2,232 relating to pre-collected revenue and are included in liability from contract with related party and deferred revenue, respectively, in the accompanying consolidated balance sheets. Those amounts represent current liabilities that do not require future cash settlement. For the year ended December 31, 2022, the Company realized a net income of \$17,239 and generated cash flow from operations of \$37,286. The Company believes it has the ability to continue as a going concern over the next twelve months following the date of the issuance of these financial statements and finance its obligations as they come due via cash from operations and through refinancing its existing loan agreements (Note 16).

Consequently, the consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and satisfaction of liabilities in the normal course of business.

(af) Derivatives - Forward Freight Agreements

From time to time, the Company may take positions in derivative instruments including forward freight agreements, or FFAs. Generally, FFAs and other derivative instruments may be used to hedge a vessel owner's exposure to the charter market for a specified route and period of time. Upon settlement, if the contracted charter rate is less than the average of the rates for the specified route and time period, as reported by an identified index, the seller of the FFA is required to pay the buyer the settlement sum, being an amount equal to the difference between the contracted rate and the settlement rate, multiplied by the number of days in the specified period covered by the FFA. Conversely, if the contracted rate is greater than the settlement rate, the buyer is required to pay the seller the settlement sum. The FFAs are not intended to serve as an economic hedge for the Company's vessels that are being chartered in the spot market, but are assumed across all dry bulk vessel sectors based on the Company's views of the underlying markets and short-term outlook. The Company measures the fair value of all open positions at each reporting date on this basis (Level 1). There were no open positions as of December 31, 2022 and 2021. The Company's FFAs do not qualify for hedge accounting and therefore gains or losses are recognized in the consolidated statements of operations under "Gain on forward freight agreements, net" and in the consolidated statements of cash flows in changes in operating assets and liabilities.

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(ag) Share and warrant repurchases

The Company records the repurchase of its common shares and warrants at cost. The Company's common shares repurchased for retirement are immediately cancelled and the Company's common stock is accordingly reduced. Any excess of the cost of the shares over their par value is allocated in additional paid-in capital, in accordance with ASC 505-30-30, Treasury Stock. For warrants repurchased, if the instrument is classified as equity, any cash paid in the settlement is recorded as an offset to additional paid-in capital. The Company's warrants are all classified as equity.

(ah) Non-monetary transactions

Under ASC "845-10-30-10 Nonmonetary Transactions, Nonreciprocal Transfers with Owners" and ASC 505-60 "Spinoffs and Reverse Spinoffs", a pro-rata spin-off of a consolidated subsidiary or equity method investee that meets the definition of a business under ASC 805 Business Combinations (ASC 805) is recognized at the carrying amount (after reduction, if applicable, of impairment) of the nonmonetary assets distributed within equity and no gain or loss is recognized. If the pro-rata spin-off of a consolidated subsidiary or equity method investee does not meet the definition of a business under ASC 805, the nonreciprocal transfer of nonmonetary assets is accounted for at fair value, if the fair value of the nonmonetary asset distributed is objectively measurable and would be clearly realizable to the distributing entity in an outright sale at or near the time of the distribution, and the spinor recognizes a gain or loss for the difference between the fair value and book value of the spinnee. A transaction is considered pro rata if each owner receives an ownership interest in the transferee in proportion to its existing ownership interest in the transferor (even if the transferor retains an ownership interest in the transferee). In accordance with ASC 805, if substantially all of the fair value of the gross assets distributed in a spin-off are concentrated in a single identifiable asset or group of similar identifiable assets, then the spin-off of a consolidated subsidiary does not meet the definition of a business. The Company evaluated the spin-off (Note 3) and concluded that it was a pro rata distribution to the owners of the Company of shares of a consolidated subsidiary that does not meet the definition of a business under ASC 805, as the fair value of the gross assets contributed to United was concentrated in a group of similar identifiable assets, the vessel. The Company also assessed that the fair value of the nonmonetary assets transferred to United was objectively measurable and clearly realizable to the transferor in an outright sale at or near the time of the distribution, and thus the Spin-off was measured at fair value and a gain for the difference between the fair value and book value of the assets contributed to United was recognized.

Recent Accounting Pronouncements Adopted

On January 1, 2022, the Company adopted ASU No. 2020-06, *Debt - Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging - Contracts in Entity's Own Equity (Subtopic 815-40)*: Accounting for Convertible Instruments and Contracts in an Entity's Own Equity. The ASU reduces the number of accounting models for convertible debt instruments by eliminating the cash conversion model. As compared with current U.S. GAAP, more convertible debt instruments will be reported as a single liability instrument and the interest rate of more convertible debt instruments will be closer to the coupon interest rate. The ASU also aligns the consistency of diluted Earnings Per Share ("EPS") calculations for convertible instruments by requiring that (1) an entity use the if-converted method and (2) share settlement be included in the diluted EPS calculation for both convertible instruments and equity contracts when those contracts include an option of cash settlement or share settlement. The Company adopted ASU 2020-06 using the modified retrospective approach, and recorded a cumulative-effect adjustment resulting to a reduction of \$10,216 to the beginning balance of accumulated deficit, \$21,165 of Additional paid-in capital and an increase of the Convertible notes of \$10,949 (Note 8), respectively.

On January 1, 2022, the Company adopted ASU No. 2021-04, *Earnings Per Share (Topic 260), Debt — Modifications and Extinguishments (Subtopic 470-50), Compensation — Stock Compensation (Topic 718), and Derivatives and Hedging — Contracts in Entity's Own Equity (Subtopic 815-40)*: Issuer's Accounting for Certain Modifications or Exchanges of Freestanding Equity-Classified Written Call Options (a consensus of the FASB Emerging Issues Task Force). The ASU addresses the diversity in practice in an issuer's accounting for modifications or exchanges of freestanding equity-classified written call options (e.g., warrants) that remain equity classified after modification or exchange. Under the guidance, an issuer determines the accounting for the modification or exchange based on whether the transaction was done to issue equity, to issue or modify debt or for other reasons. The guidance is applied prospectively to all modifications or exchanges that occur on or after the date of adoption. The adoption of ASU No. 2021-04 did not have a material effect in the Company's consolidated financial statements and disclosures.

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On January 1, 2022, the Company adopted ASU No. 2021-05 *Leases (Topic 842): Lessors-Certain Leases with Variable Lease Payments*. The ASU amends the lessor lease classification guidance in ASC 842 for leases that include any amount of variable lease payments that are not based on an index or rate. If such a lease meets the criteria in ASC 842-10-25-2 through 25-3 for classification as either a sales-type or direct financing lease, and application of the sales-type or direct financing lease recognition guidance would result in recognition of a selling loss, then the amendments require the lessor to classify the lease as an operating lease. The adoption of ASU No. 2021-05 did not have a material effect in the Company's consolidated financial statements and disclosures.

Recent Accounting Pronouncements

In March 2020, the FASB issued ASU 2020-4, *Reference Rate Reform (Topic 848)* ("ASU 2020-4"), which provides optional guidance intended to ease the potential burden in accounting for the expected discontinuation of the London Interbank Offered Rate (LIBOR) as a reference rate in the financial markets. The guidance can be applied to modifications made to certain contracts to replace LIBOR with a new reference rate. The guidance, if elected, will permit entities to treat such modifications as the continuation of the original contract, without any required accounting reassessments or remeasurements. In addition, in January 2021, the FASB issued another ASU (ASU No. 2021-01) with respect to the Reference Rate Reform (Topic 848). The amendments in this Update clarify that certain optional expedients and exceptions in Topic 848 for contract modifications and hedge accounting apply to derivatives that are affected by the discounting transition. The ASU 2020-4 was effective for the Company beginning on March 12, 2020 and the Company will apply the amendments prospectively through December 31, 2024. Following the deferral of the sunset date of topic 848, as amended by ASU 2022-06. There was no material impact to the Company's consolidated financial statements as of December 31, 2022.

There are no other recent accounting pronouncements the adoption of which is expected to have a material effect on the Company's consolidated financial statements in the current or any future periods.

3. Transactions with Related Parties

On July 6, 2022, the Company announced that it completed the spin-off of its previously wholly-owned subsidiary, United, effective July 5, 2022 (the "Spin-Off"). The Company's shareholders received one United common share for every 11.8 common shares of Seanergy held at the close of business on June 28, 2022, so that such holders maintained the same proportionate interest in the Parent and in United both immediately before and immediately after the Spin-Off. In addition, the holder of all of Seanergy's issued and outstanding Series B preferred shares received 40,000 of United's Series B Preferred Shares par value \$0.0001 (the "Series B Preferred Shares").

On July 5, 2022, Seanergy entered into a Contribution and Conveyance Agreement with United. Pursuant to the Contribution and Conveyance Agreement, Seanergy, immediately prior to the Spin-Off, contributed (i) all of the Predecessor's shares to United as a capital contribution, and (ii) an aggregate of \$5,000 in cash as working capital, in exchange for the issuance of 5,000 of United's 6.5% Series C Cumulative Convertible Preferred Shares ("Series C Preferred Shares") to Seanergy, the cancellation of the 500 registered shares of United, then outstanding, and the issuance of 1,512,004 common shares of United to Seanergy and 40,000 of United's Series B Preferred Shares to the holder of all Seanergy's issued and outstanding Series B preferred shares (together, the "Distribution Shares"). Seanergy distributed the Distribution Shares to its shareholders on a pro rata basis as a special dividend. Additionally, Seanergy agreed to indemnify United for any and all obligations and other liabilities arising from or relating to the operation, management or employment of the Gloriuship prior to the effective date of the Spin-Off.

On July 5, 2022, Seanergy entered into a Right of First Refusal Agreement with United. Pursuant to the agreement, Seanergy has a right of first refusal with respect to any opportunity available to United to sell, acquire or charter-in any Capesize vessel as well as with respect to chartering opportunities, other than short-term charters with a term of 13 months or less, available to United for Capesize vessels. In addition, United has a right of first offer with respect to any vessel sales by Seanergy. Upon a change of control of United or Seanergy occurring, such rights terminate immediately.

As detailed in Note 2(ah), the Company evaluated the Spin-Off under ASC 505-60 Spinoffs and Reverse Spinoffs, ASC 805 Business Combinations, referring to the definition of a business, and ASC 845-10-30-10 Nonreciprocal Transfers with Owners and concluded that the transaction is a pro rata spin-off of a consolidated subsidiary that does not meet the definition of a business under ASC 805, thus the transaction was accounted as a nonreciprocal transfer with owners at fair value, since the criteria imposed by ASC 845 were met. The aggregate fair value of \$18,500 of the vessel contributed to the United was determined through Level 2 inputs of the fair value hierarchy by taking into consideration two third party valuations obtained for the vessel. The fair value of other assets contributed to the United, comprising the value of the time charter attached amounted to \$308 for the Gloriuship which was accounted for, using the current time charter rates at the time of the Spin-off. The fair value of liabilities assumed, comprised loan and loan related fees amounted to \$5,080. The net assets of \$13,728 have been recorded as dividends in the accompanying consolidated balance sheets.

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(All amounts in footnotes in thousands of US Dollars, except for share and per share and warrants data, unless otherwise stated)

During the year ended December 31, 2022, “Gain on Spin-off of United Maritime Corporation” amounted to \$2,800 represents the difference between the fair value of the assets contributed (i.e., the vessel and the attached time charter) and their carrying value. Carrying value consisting of vessel cost amounted to \$12,902, unamortized deferred charges amounted to \$3,058 and other costs amounted to \$48.

On July 26, 2022, United issued 5,000 additional Series C Preferred Shares to Seanergy in exchange for \$5,000 cash.

On November 28, 2022, United redeemed its outstanding 10,000 Series C Preferred Shares held by Seanergy at a price equal to 105% of the original issue price, resulting in a cash inflow of \$10,500. Dividends received in respect with the Series C Preferred Shares amounted to \$243 and the difference between the redemption price and the original price of Series C preferred Shares amounted to \$500 and are included in “Interest and other income” in the accompanying statement of operations.

Management Agreements:

On July 5, 2022, Seanergy entered into a master management agreement with United for the provision of technical, administrative, commercial, brokerage and certain other services. Certain of these services are being subcontracted to or contracted directly with Seanergy’s wholly owned subsidiaries, Seanergy Shipmanagement Corp. (“Seanergy Shipmanagement”) and Seanergy Management Corp. (“Seanergy Management”). In consideration of Seanergy providing such services, United pays a fixed administration fee of \$0.3 per vessel per day to Seanergy.

Seanergy Shipmanagement entered into an agreement with the Predecessor for arranging (directly or by subcontracting) for the crewing of the Gloriuship, the day-to-day operations, inspections, maintenance, repairs, drydocking, purchasing, insurance and claims handling for the vessel. Pursuant to the management agreement, a fixed management fee of \$14 per month is payable to Seanergy Shipmanagement for such services.

Seanergy Management entered into a commercial management agreement with United pursuant to which Seanergy Management acts as agent for United’s subsidiaries (directly or through subcontracting) for the commercial management of their vessels, including chartering, monitoring thereof, freight collection, and sale and purchase and has agreed to pay to Seanergy Management a fee equal to 1.25% of the gross freight, demurrage and charter hire collected from the employment of United’s vessels, except for any vessels that are chartered-out to Seanergy. Seanergy Management also earns a fee equal to 1% of the contract price of any vessel bought or sold by them on United’s behalf, except for any vessels bought or sold from or to Seanergy, or in respect of any vessel sale relating to a sale and leaseback transaction.

During the year ended December 31, 2022, fees charged from Seanergy to United in relation to the above-mentioned services amounted to \$2,391 and are included in “Fees from related parties” in the accompanying statement of operations.

As of December 31, 2022, balance due from United amounted to \$829 and is included in “Due from related parties” in the accompanying consolidated balance sheet.

On December 27, 2022, Seanergy entered into two memoranda of agreement to sell two Capesize vessels to United for an aggregate purchase price of \$36,250 (Notes 6 and 16). On December 28, 2022, the company received an advance of \$12,688 in cash, according to the terms of the agreements, which is separately presented as “Liability from contract with related party” in the accompanying consolidated balance sheet.

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4. Cash and Cash Equivalents and Restricted Cash:

The following table provides a reconciliation of cash and cash equivalents and restricted cash reported within the consolidated balance sheets that sum to the total of the same such amounts shown in the consolidated statements of cash flows:

	December 31, 2022	December 31, 2021
Cash and cash equivalents	26,027	41,496
Restricted cash	1,650	1,180
Restricted cash, non-current	4,800	2,950
Cash and cash equivalents and restricted cash	<u>32,477</u>	<u>45,626</u>

Restricted cash as of December 31, 2022 includes \$2,000 of minimum liquidity requirements as per the June 2022 Piraeus Bank Loan Facility (Note 7), \$1,300 of minimum liquidity requirements as per the October 2022 Danish Ship Finance Loan Facility, \$500 of minimum liquidity requirements as per the August 2021 Alpha Bank Loan Facility (Note 7), \$500 of minimum liquidity requirements as per the June 2022 Alpha Bank Loan Facility (Note 7), \$500 of minimum liquidity requirements as per the December 2022 Alpha Bank Loan Facility (Note 7), \$1,600 of minimum liquidity requirement as per the Championship Cargill Sale and Leaseback (Note 7) and \$50 of restricted deposits pledged as collateral regarding credit cards balances with one of the Company's financial institutions. Minimum liquidity, not legally restricted, as of December 31, 2022, of \$10,700 as per the Company's credit facilities' covenants, is included in "Cash and cash equivalents".

Restricted cash as of December 31, 2021 includes \$850 of minimum liquidity requirements as per the Piraeus Bank Loan Facility (Note 7), \$500 of minimum liquidity requirements as per the February 2019 ATB Loan Facility (Note 7), \$500 of minimum liquidity requirements as per the August 2021 Alpha Bank Loan Facility (Note 7), \$1,600 of minimum liquidity requirement as per the Championship Cargill Sale and Leaseback (Note 7), \$630 in a dry-docking reserve account as per the February 2019 ATB Loan Facility and \$50 of restricted deposits pledged as collateral regarding credit cards balances with one of the Company's financial institutions. The restricted cash amount that relates to the February 2019 ATB Loan Facility was classified as current due to the fact that the respective facility was repayable within the year ending December 31, 2022 (Note 7). Minimum liquidity, not legally restricted, as of December 31, 2021, of \$7,100 as per the Company's credit facilities' covenants, is included in "Cash and cash equivalents".

5. Inventories:

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

	December 31, 2022	December 31, 2021
Bunkers	392	-
Lubricants	1,603	1,448
Total	<u>1,995</u>	<u>1,448</u>

**Seanergy Maritime Holdings Corp.
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(All amounts in footnotes in thousands of US Dollars, except for share and per share and warrants data, unless otherwise stated)

6. Vessels, Net:

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

	December 31, 2022	December 31, 2021
Cost:		
Beginning balance	488,049	307,870
- Additions	71,224	197,306
- Vessel contributed to United Maritime Corporation	(17,948)	-
- Transfer to "Assets held for Sale"	(29,809)	-
- Disposals	-	(17,127)
Ending balance	511,516	488,049
Accumulated depreciation:		
Beginning balance	(61,987)	(51,133)
- Depreciation for the period	(23,294)	(17,076)
- Vessel contributed to United Maritime Corporation	5,046	-
- Transfer to "Asset held for Sale"	2,852	-
- Disposals	-	6,222
Ending balance	(77,383)	(61,987)
Net book value	434,133	426,062

Vessel contribution

On July 6, 2022, the Company contributed the Predecessor and the *Gloriuship* to United (Note 3).

Acquisitions

On November 9, 2022, the Company entered into an agreement with an unaffiliated third party for the purchase of a secondhand Capesize vessel, the *Paroship*, for a gross purchase price of \$31,000. The vessel was delivered to the Company on December 27, 2022. The acquisition of the vessel was financed with cash on hand and through the December 2022 Alpha Bank Loan (Note 7).

On May 25, 2022, the Company entered into an agreement with an unaffiliated third party for the purchase of a secondhand Capesize vessel, the *Honorship*, for a gross purchase price of \$34,600. The vessel was delivered to the Company on June 27, 2022. The acquisition of the vessel was financed with cash on hand and through the June 2022 Piraeus Bank Loan Facility (Note 7).

On October 5, 2021, the Company entered into an agreement with an unaffiliated third party for the purchase of a secondhand Capesize vessel, the *Dukeship*, for a gross purchase price of \$34,300. The vessel was delivered to the Company on November 26, 2021. The acquisition of the vessel was financed with cash on hand at the time of delivery and subsequently through the June 2022 Alpha Bank Loan Facility (Note 7).

On June 22, 2021, the Company entered into an agreement with an unaffiliated third party for the purchase of a secondhand Capesize vessel, the *Friendship*, for a gross purchase price of \$24,600. The vessel was delivered to the Company on July 27, 2021. The acquisition of the vessel was financed with cash on hand at the time of delivery and subsequently through the August 2021 Alpha Bank Loan Facility (Note 7).

On May 17, 2021, the Company entered into an agreement with unaffiliated third parties for the purchase of a secondhand Capesize vessel, the *Worldship*, for a gross purchase price of \$33,700. The vessel was delivered to the Company on August 30, 2021. The acquisition of the vessel was financed with cash on hand at the time of delivery and subsequently through the November 2021 Piraeus Bank Loan Facility (Note 7).

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On March 19, 2021, the Company entered into an agreement with an unaffiliated third party for the purchase of a secondhand Capesize vessel, the *Hellaship*, for a gross purchase price of \$28,600. The vessel was delivered to the Company on May 6, 2021. The acquisition of the vessel was financed with cash on hand at the time of delivery and subsequently through the CMBFL Sale and Leaseback (Note 7).

On March 11, 2021, the Company entered into an agreement with unaffiliated third parties for the purchase of a secondhand Capesize vessel, the *Patriotship*, for a gross purchase price of \$26,600. The vessel was delivered to the Company on June 1, 2021. The acquisition of the vessel was financed with cash on hand at the time of delivery and subsequently through the CMBFL Sale and Leaseback (Note 7).

On March 10, 2021, the Company entered into an agreement with an unaffiliated third party for the purchase of a secondhand Capesize vessel, the *Flagship*, for a gross purchase price of \$28,385. The vessel was delivered to the Company on May 6, 2021. The acquisition of the vessel was financed with cash on hand at the time of delivery and subsequently through the Flagship Cargill Sale and Leaseback (Note 7).

On February 12, 2021, the Company entered into an agreement with an unaffiliated third party for the purchase of a secondhand Capesize vessel, the *Tradership*, for a gross purchase price of \$17,000. The vessel was delivered to the Company on June 9, 2021. The acquisition of the vessel was financed with cash on hand at the time of delivery and subsequently through the ABB Loan Facility (Note 7).

During the years ended December 31, 2022 and 2021, amounts of \$5,624 and \$4,121, respectively, of improvements were capitalized that concern improvements on vessels performance and meeting environmental standards mainly due to installation of ballast water treatment systems and other energy saving devices. The cost of these additions was accounted as major improvement and were capitalized over the vessels' cost and will be depreciated over the remaining useful life of each vessel. Amounts paid for the additions are included in "Vessels acquisitions and improvements" under "Cash flows from investing activities" in the consolidated statement of cash flows.

As of December 31, 2022, all vessels, except for the *Knightship*, the *Championship*, the *Flagship*, the *Partnership*, the *Hellaship* and the *Patriotship* that are financed through other financial liabilities (sale and leaseback agreements where the lessors hold the title to the assets), are mortgaged to secure loans of the Company (Note 7).

Assets held for sale

On December 27, 2022, the Company entered into an agreement with United for the sale of a secondhand Capesize vessel, the *Goodship*, for a gross purchase price of \$17,500. The vessel was delivered to her new owners on February 10, 2023 (Note 16). As of December 31, 2022, the vessel along with the associated inventories were classified in current assets as "Assets held for sale" in the consolidated balance sheet, according to the provisions of ASC 360, as all the criteria for this classification were met. The specific vessel was not impaired as of December 31, 2022, since its carrying amount plus unamortized dry-dock costs as at the balance sheet date was lower than its sale price less cost to sell. As of December 31, 2022, an advance payment of \$6,125 was received in cash (Note 3) according to the terms of the agreement, which is separately presented as "Liability from contract with related party" in the consolidated balance sheet.

On December 27, 2022, the Company entered into an agreement with United for the sale of a secondhand Capesize vessel, the *Tradership*, for a gross purchase price of \$18,750. The vessel was delivered to her new owners on February 28, 2023 (Note 16). As of December 31, 2022, the vessel along with the associated inventories were classified in current assets as "Assets held for sale" in the consolidated balance sheet, according to the provisions of ASC 360, as all the criteria for this classification were met. The specific vessel was not impaired as of December 31, 2022, since its carrying amount plus unamortized dry-dock costs as at the balance sheet date was lower than its sale price less cost to sell. As of December 31, 2022, an advance payment of \$6,563 was received in cash (Note 3) according to the terms of the agreement, which is separately presented as "Liability from contract with related party" in the consolidated balance sheet.

Seanergy Maritime Holdings Corp.
Notes To The Consolidated Financial Statements

(All amounts in footnotes in thousands of US Dollars, except for share and per share and warrants data, unless otherwise stated)

Gain on sale of vessel, net

On June 30, 2021, the Company entered into an agreement with an unaffiliated third party for the sale of the *Leadership* for a gross sale price of \$12,600. The vessel was delivered to her new owners on September 30, 2021. A gain on sale of vessel net of sale expenses amounting to \$697 was recognized in the consolidated statement of operations and was presented as “Gain on vessel sale, net” in the consolidated statement of operations.

7. Long-Term Debt and Other Financial Liabilities:

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

	December 31, 2022	December 31, 2021
Long-term debt and other financial liabilities	235,603	218,551
Less: Deferred financing costs and debt discounts	(3,727)	(3,377)
Total	231,876	215,174
Less - current portion	(35,051)	(68,473)
Long-term portion	196,825	146,701
Debt related to assets held for sale	13,100	-
Less: Deferred financing costs	(110)	-
Total	12,990	-
Total debt net of deferred financing costs and debt discounts	244,866	215,174

Senior long-term debt

New Loan Facilities during the year ended December 31, 2022

June 2022 Alpha Bank Loan Facility

On June 21, 2022, the Company entered into a facility agreement with Alpha Bank S.A. for a \$21,000 term loan secured by the *Dukeship*. The loan bears interest of SOFR plus a margin of 2.95% and the term is four years. The repayment schedule comprises four quarterly installments of \$1,000 followed by twelve quarterly installments of \$500 and a final balloon of \$11,000 payable together with the sixteenth installment. In addition, the Company is required to maintain a security cover ratio (as defined therein) not less than 125%. The borrower is required to maintain minimum liquidity of \$500 in its operating account. The June 2022 Alpha Bank Loan Facility is cross collateralized with the August 2021 Alpha Bank Loan Facility discussed below. As of December 31, 2022, the amount outstanding under the facility was \$19,000.

June 2022 Piraeus Bank Loan Facility

On June 22, 2022, the Company entered into a facility agreement with Piraeus Bank S.A. for a \$38,000 sustainability-linked loan for the purpose of (i) refinancing the existing November 2021 Piraeus Bank Loan Facility, which was secured by the *Worldship* and (ii) partly financing the acquisition cost of the *Honorship*. The loan bears interest of LIBOR plus a margin of 3.00% which can be decreased by up to 0.10% upon meeting certain emission reduction targets during the term of the facility. The term is five years and the repayment schedule comprises four quarterly installments of \$2,000, followed by two quarterly installments of \$1,500, followed by fourteen quarterly installments of \$750 and a final balloon of \$16,500 payable together with the final installment. The Company is required to maintain a leverage ratio, as defined in the loan agreement, that will not be higher than 85% until the maturity. The borrowers are required to maintain an aggregate minimum liquidity of \$2,000 in their earnings account. In addition, the borrowers shall maintain a security cover ratio (as defined therein) of not less than 125% until December 24, 2023 and 130% thereafter until the maturity of the loan. The June 2022 Piraeus Bank Loan Facility was assessed based on provisions of ASC 470-50 and was treated as debt modification. As of December 31, 2022, the amount outstanding under the facility was \$34,000.

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(All amounts in footnotes in thousands of US Dollars, except for share and per share and warrants data, unless otherwise stated)

October 2022 Danish Ship Finance Loan Facility

On October 10, 2022, the Company entered into a facility agreement with Danish Shipping Finance A/S for a \$28,000 term loan for the purpose of refinancing the existing UniCredit Bank Loan Facility, which was secured by the *Premiership* and the *Fellowship*. The October 2022 Danish Ship Finance Loan Facility is divided in two equal tranches, bears interest of SOFR plus a margin of 2.50% and has a term of five years. The repayment schedule of each tranche comprises six quarterly installments of \$780 followed by fourteen quarterly installments of \$518 and a final balloon of \$2,100 payable together with the twentieth installment. In addition, the Company is required to maintain a security cover ratio (as defined therein) of not less than 133%, at any time when the corporate leverage ratio (as defined therein) is equal to or less than 65%. If the corporate leverage ratio is higher than 65%, the Company is required to maintain a security cover (as defined therein) of not less than 143%. The Company is required to maintain a leverage ratio (as defined therein), that will not be higher than 85% until June 29, 2023 and 70% thereafter until the maturity of the loan. Each borrower is required to maintain minimum liquidity of \$650 in its retention account. As of December 31, 2022, the amount outstanding under the facility was \$28,000.

December 2022 Alpha Bank Loan Facility

On December 15, 2022, the Company entered into a facility agreement with Alpha Bank S.A. for a \$16,500 term loan for the purpose of partly financing the acquisition cost of the *Paroship*. The interest rate of the facility is equal to term SOFR plus a margin of 2.90% and the term is four years. The repayment schedule comprises four quarterly installments of \$525 followed by twelve quarterly installments of \$400 and a final balloon of \$9,600 payable together with the sixteenth installment. In addition, the Company is required to maintain a security requirement (as defined therein) of not less than 125%. The borrower is required to maintain minimum liquidity of \$500 in its operating account. As of December 31, 2022, the amount outstanding under the facility was \$16,500.

Loan Facilities amended during the year ended December 31, 2022

August 2021 Alpha Bank Loan Facility

On August 9, 2021, the Company entered into a facility agreement with Alpha Bank S.A. for a \$44,120 term loan for the purpose of (i) refinancing the May 2021 Alpha Bank loan facility which was secured by the *Leadership*, the *Squireship* and the *Lordship* and (ii) financing the previously unencumbered *Friendship*. The loan is divided into two tranches as follows: Tranche A, secured by and corresponding to the *Squireship* and the *Lordship* and Tranche B, secured by and corresponding to the *Friendship*. The applicable interest rate is LIBOR plus a margin of 3.5% and LIBOR plus a margin of 3.25%, for Tranche A and Tranche B respectively. Tranche A matures on May 21, 2025, and Tranche B on August 11, 2025. Tranche A will be repaid through four quarterly installments of \$1,250, followed by four quarterly installments of \$1,040, followed by eight quarterly installments of \$875 and a balloon of \$14,960 payable together with the last installment. Tranche B will be repaid through four quarterly installments of \$700 followed by twelve quarterly installments of \$375 and a balloon of \$5,700 payable together with the last installment. Each of the borrowers owning the *Squireship* and the *Lordship* are required to maintain average quarterly minimum free liquidity of \$500, whereas the borrower owning the *Friendship* is required to maintain \$500 at all times. In addition, the borrowers shall ensure that the market value of the vessels plus any additional security shall not be less than 125% of the aggregate outstanding loan amount. On June 30, 2022, the Company entered into a supplemental agreement to the facility pursuant to which, the August 2021 Alpha Bank Loan Facility was cross collateralized with the June 2022 Alpha Bank Loan Facility. The facility agreement was assessed based on provisions of ASC 470-50 and was treated as debt modification of the May 2021 Alpha Bank Loan Facility. As of December 31, 2022, the amount outstanding under the facility was \$33,865.

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(All amounts in footnotes in thousands of US Dollars, except for share and per share and warrants data, unless otherwise stated)

Pre - Existing Loan Facilities*ABB Loan Facility*

On April 22, 2021, the Company entered into a facility agreement with Aegean Baltic Bank S.A. for a \$15,500 term loan for the financing of the *Goodship* and the *Tradership*. The loan is divided into two tranches: (i) Tranche A of \$7,500 for the *Goodship*, drawn down on April 26, 2021, and (ii) Tranche B of \$8,000 for the *Tradership*, drawn down on June 14, 2021. The loan bears interest of LIBOR plus a margin of 4%. Tranche A is repayable in 18 quarterly installments of \$200 each, with the last installment, together with a balloon installment of \$3,900, payable in October 2025. Tranche B is repayable in 18 quarterly installments of \$200 each, with the last installment, together with a balloon installment of \$4,400, payable in December 2025. The Company is required to maintain a corporate leverage ratio (as defined in the facility agreement), that will not be higher than 85% until the maturity. Each borrower is required to maintain minimum liquidity of \$300 in its earnings account. In addition, the borrowers shall ensure that the market value of the vessels plus any additional security shall not be less than 130% of the aggregate outstanding loan amount. As of December 31, 2022, the amount outstanding under the facility was \$13,100 and is presented under Long-term debt related to vessels held for sale following the Company's decision to sell the *Goodship* and the *Tradership* (Note 16).

Sinopac Loan Facility

On December 20, 2021, the Company entered into a \$15,000 loan facility with Sinopac Capital International (HK) Limited to refinance the Tranche B of the July 2020 Entrust Facility secured by, inter alia, the *Geniuship*. The interest rate is LIBOR plus a margin of 3.5%. The principal will be repaid over a five-year term, through four quarterly installments of \$530 followed by 16 quarterly installments of \$385 and a final balloon payment of \$6,720 payable together with the last installment. The borrower is required to ensure that the market value of the vessel plus any additional security shall be not less than 130% of the aggregate outstanding loan amount. As of December 31, 2022, the amount outstanding under the facility was \$12,880.

As of December 31, 2022, each of the facilities mentioned above was secured by a first priority mortgage over the respective vessel, general assignments covering the respective vessel's earnings, charter parties, insurances and requisition compensation, account pledge agreements covering the vessel's earnings accounts, technical and commercial managers' undertakings, pledge agreements covering the shares of the applicable vessel-owning subsidiaries and a corporate guarantee by the Company. In addition, certain of these loan facilities were secured by specific charterparty assignments, for charterparties exceeding 12 or 13 months in duration and hedging assignment agreements.

Loan Facilities repaid during the years ended December 31, 2022, 2021 and 2020*November 2021 Piraeus Bank Loan Facility*

On November 12, 2021, the Company entered into a \$16,850 sustainability-linked loan facility with Piraeus Bank S.A. to finance part of the acquisition cost of the *Worldship*. The interest rate was LIBOR plus a margin of 3.05%, which could be decreased to 2.95% based on certain emission reduction thresholds (as described therein). The principal was scheduled to be repaid over a five-year term, through four installments of \$1,000, followed by two installments of \$750, followed by 14 installments of \$375, followed by a balloon of \$6,100 payable together with the last installment. The Company was required to maintain a corporate leverage ratio (as defined therein), not higher than 85% until maturity. The borrower was required to maintain minimum liquidity of \$850 in its earnings account. In addition, the borrower was required to ensure that the market value of the vessel plus any additional security would not be less than 130% of the aggregate outstanding loan amount. On June 22, 2022, the Company refinanced the facility using the proceeds from the June 2022 Piraeus Bank Loan Facility.

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(All amounts in footnotes in thousands of US Dollars, except for share and per share and warrants data, unless otherwise stated)

Leader Alpha Bank Loan Facility

On March 6, 2015, the Company entered into a loan agreement with Alpha Bank S.A., for a secured loan facility in an amount of \$8,750. The loan was used to partially finance the acquisition of the *Leadership*. The interest rate of the facility was equal to LIBOR plus a margin of 3.75%. On March 17, 2020, the Company entered into a fifth supplemental agreement with Alpha Bank S.A. regarding the subject facility. Pursuant to the terms of the supplemental agreement: (i) the maturity date was extended from March 18, 2020, to December 31, 2022, (ii) the repayment of the facility would be made by eleven consecutive quarterly repayments of \$250 each followed by a balloon installment of \$2,303 to be made on the maturity date, and (iii) several of its financial covenants were amended or waived. An amendment fee of \$50 was paid in respect of the fifth supplemental agreement. The fifth supplemental agreement was assessed based on provisions of ASC 470-50 and was treated as debt modification. The subject facility was refinanced in full on May 20, 2021, using part of the proceeds from the May 2021 Alpha Bank Loan Facility.

HCOB Loan Facility

On September 1, 2015, the Company entered into a loan agreement with Hamburg Commercial Bank AG (formerly HSH Nordbank AG), or HCOB, for a secured loan facility of \$44,430. The loan was fully drawn down in 2015, was used to partially finance the acquisition of the *Geniuship* and the *Gloriuship* and had an original final maturity date of June 30, 2020. The interest rate of the facility was equal to LIBOR plus a margin of 3.75%. On June 26, 2020, the Company entered into a settlement agreement with HCOB. Pursuant to the terms of the settlement agreement, the Company, in order to fully settle its obligations under the loan agreement was required to pay a total amount of \$23,500 out of the then outstanding amount of the loan agreement of \$29,056 until July 31, 2020. On July 17, 2020, the Company settled the full amount of the HCOB Loan Facility through a \$23,500 payment with the funds obtained from the proceeds of the July 2020 Entrust Facility and cash on hand, following which all securities created in favor of HCOB were irrevocably and unconditionally released. As a result, the Company recognized a gain of \$5,144 and is presented in Gain on debt refinancing. The settlement agreement was assessed based on provisions of ASC 470-60 and was treated as troubled debt restructuring.

Squire Alpha Bank Loan Facility

On November 4, 2015, the Company entered into a loan agreement with Alpha Bank S.A., for a secured loan facility of \$33,750. The loan was used to partially finance the acquisition of the *Squireship*. The interest rate of the facility was equal to LIBOR plus a margin of 3.50%. On March 31, 2020, the Company entered into a fourth supplemental agreement with Alpha Bank S.A. regarding the subject facility. Pursuant to the terms of the supplemental agreement: (i) the maturity date was extended from November 10, 2021 to December 31, 2022, (ii) the repayment of the facility would be made by two prepayments of \$500 each on August 26, 2020 and October 1, 2020 as well as eleven consecutive quarterly repayments of \$919 each followed by a balloon installment of \$14,975 to be made on the maturity date, and (iii) several of its financial covenants were amended or waived. An amendment fee of \$75 was paid in respect of the fourth supplemental agreement. The fourth supplemental agreement was assessed based on provisions of ASC 470-50 and was treated as debt modification. The subject facility was refinanced in full on May 20, 2021, using part of the proceeds from the May 2021 Alpha Bank Loan Facility.

Entrust Loan Facility

On June 11, 2018, the Company entered into a \$24,500 loan agreement with certain Blue Ocean maritime lending funds managed by EnTrust Permal as lenders and Wilmington Trust, National Association as facility and security agent, respectively, for the purpose of refinancing the outstanding indebtedness under a previous loan facility with Northern Shipping Fund, of NSF. The facility was expiring on June 13, 2023, or on June 13, 2025, subject to certain conditions, and had a balloon installment of \$15,300 or \$9,500 due at maturity, assuming a maturity date in June 2023 or in June 2025, respectively. The weighted average all-in interest rate was equal to 11.4% or 11.2% assuming a maturity date in June 2023 or in June 2025, respectively.

Seanergy Maritime Holdings Corp.
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(All amounts in footnotes in thousands of US Dollars, except for share and per share and warrants data, unless otherwise stated)

On July 15, 2020, the Company entered into an amendment and restatement of the \$24,500 loan agreement mentioned above. The amended and restated facility is hereunder referred to as the “Entrust Loan Facility”. Pursuant to the terms of the Entrust Loan Facility (i) Wilmington Trust, National Association resigned as facility agent and security agent and Lucid Agency Services Limited and Lucid Trustee Services Limited were appointed as successor facility agent and security agent, respectively and (ii) the facility was cross-collateralized with the July 2020 Entrust Facility. The original terms and securities of the subject facility agreement were not otherwise altered by the amendment and restatement. The amendment and restatement of the agreement was assessed based on provisions of ASC 470-50 and was treated as debt modification. On March 5, 2021, the Company repaid the full balance of the Entrust Loan Facility and all securities created to cross-collateralize the Entrust Loan Facility with the July 2020 Entrust Facility were irrevocably and unconditionally released. As of December 31, 2021, an amount of \$438 was recognized as loss on debt extinguishment according to the debt extinguishment guidance of ASC 470-50 “Debt Modifications and Extinguishments” and was included in “Loss in extinguishment of debt” in the consolidated statement of operations.

UniCredit Bank Loan Facility

On September 11, 2015, the Company entered into a facility agreement with UniCredit Bank AG, for a secured loan facility of \$52,705 to partially finance the acquisition of the *Premiership*, *Gladiatorship* and *Guardianship*. On November 22, 2018 following the sale of the *Gladiatorship* and *Guardianship*, the Company entered into an amendment and restatement of the facility in order to (i) release the respective vessel-owning subsidiaries of the *Gladiatorship* and the *Guardianship* as borrowers and (ii) include as replacement borrower the vessel-owning subsidiary of the *Fellowship*. On July 3, 2019, the Company entered into a supplemental agreement pursuant to which: (i) \$2,208 of installments originally falling due within 2019 were deferred to the balloon installment on December 28, 2020, (ii) the applicable margin was increased from 3.20% to 4.20% with effect from March 26, 2019 until December 27, 2019 inclusive and reinstated to the original levels subsequently and (iii) the requirement for each borrower to hold minimum liquidity of \$500 cash was cancelled. On February 8, 2021, the Company entered into a supplemental agreement to the facility pursuant to which: (i) the quarterly installments were reduced from \$1,550 to \$1,200, effective as of the December 2020 installment, (ii) the applicable margin was increased from 3.2% to 3.5% with effect as of December 29, 2020 until the maturity of the facility, (iii) the maturity of the loan was extended to December 29, 2022 from December 29, 2020 initially, and (iv) several of its financial covenants were waived with retrospective effect from June 2020 onwards. On October 13, 2022, the facility was refinanced in full by the October 2022 Danish Ship Finance Loan Facility.

February 2019 ATB Loan Facility

On February 13, 2019, the Company entered into a new loan facility with ATB, or the February 2019 ATB Loan Facility, in order to (i) refinancing the existing indebtedness over the *Partnership* under the May 2017 ATB Loan Facility and (ii) financing of installation of open loop scrubber systems on the *Squireship* and *Premiership*. The interest rate of the facility was equal to LIBOR plus a margin of 4.65%. The February 2019 ATB Loan Facility was divided in Tranche A, relating to the refinancing of the *Partnership*, and Tranches B and C for the financing of the scrubber systems on the *Squireship* and the *Premiership*, respectively. Pursuant to the terms of the facility, Tranche A was repayable in sixteen equal quarterly installments being \$200 each and a balloon payment of \$13,190 payable on November 27, 2022 and each of Tranche B and C was repayable in twelve quarterly installments of \$189.8 until August 26, 2022. On February 12, 2021, the Company entered into a supplemental agreement to the facility to amend several of its financial covenants. On December 9, 2021, the Company entered into a supplemental letter to the facility pursuant to which: the lender (i) provided its consent for the prepayment of the Third JDH Note secured by the *Partnership* which was subject to an intercreditor agreement entered into between the Company, ATB and the holder of the convertible note, (ii) waived a breach of the borrower concerning the repayment of certain subordinated liabilities (as defined therein) in the amount of \$1,080 and (iii) waived the borrower’s obligation to make an additional repayment (as defined therein) in the amount of \$1,080. An amendment fee of \$50 was paid in respect of the supplemental letter. On February 28, 2022, the outstanding balance of \$15,129 was repaid in full with cash on hand and subsequently refinanced by the Chugoku Bank Sale and Leaseback.

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(All amounts in footnotes in thousands of US Dollars, except for share and per share and warrants data, unless otherwise stated)

July 2020 Entrust Facility

On July 15, 2020, the Company entered into a secured loan facility of \$22,500 with Lucid Agency Services Limited and Lucid Trustee Services Limited, as facility agent and security agent, respectively, and certain nominees of EnTrust Global as lenders, the proceeds of which were used for the settlement of the HCOB Loan Facility. The interest rate of the facility was equal to a fixed rate of 10.50%. The Company drew down the \$22,500 on July 16, 2020. In addition, the July 2020 Entrust Facility was cross collateralized with an existing loan facility which was then secured by the *Lordship*. The cross-collateral security structure was released following the full prepayment of the loan facility that was subsequently financed by the May 2021 Alpha Bank Loan Facility. On December 20, 2021, the Company repaid the balance of \$14,618 related to Tranche B secured by the *Geniuship*. On the date of repayment, \$438 of unamortized debt discounts were written off according to the debt extinguishment guidance of ASC 470-50 "Debt Modifications and Extinguishments". The outstanding balance of the loan, amounting to \$4,950, was transferred to United following completion of the Spin-Off.

May 2021 Alpha Bank Loan Facility

On May 20, 2021, the Company entered into a facility agreement with Alpha Bank S.A. for a \$37,450 term loan for (i) the refinancing of the Leader Alpha Bank Loan Facility and the Squire Alpha Bank Loan Facility with an aggregate outstanding of \$25,459, and (ii) partial financing of the previously unencumbered *Lordship*. The facility was divided in two tranches: (i) Tranche A of \$25,450 for the refinancing of the two previous facilities and (ii) Tranche B of \$12,000 for general corporate purposes. The loan bore interest of LIBOR plus a margin of 3.5%. The facility was repayable in 4 quarterly installments of \$1,500, followed by 4 quarterly installments of \$1,250, together with an interim balloon installment of \$4,500 payable concurrently with the 8th repayment installment, followed by 8 quarterly installments of \$875, together with a balloon installment of \$14,950, payable together with the last repayment installment. On August 11, 2021, the facility was refinanced in full by the August 2021 Alpha Bank Loan Facility. The facility agreement was assessed based on provisions of ASC 470-50 and was treated as debt modification.

Other Financial Liabilities - Sale and Leaseback Transactions

New Sale and Leaseback Activities during the year ended December 31, 2022

Chugoku Bank Sale and Leaseback

On February 25, 2022, the Company entered into a sale and leaseback transaction with Chugoku Bank, Ltd. to refinance the *Partnership* which was previously financed by the February 2019 ATB Loan Facility and the Second JDH Loan secured through first and second priority mortgages respectively. The drawdown of the funds under the sale and leaseback agreement occurred on March 9, 2022. The transaction was accounted for as a financial liability, as control remains with the Company and the *Partnership* will continue to be recorded as an asset on the Company's balance sheet. The financing amount is \$21,300 and the interest rate is 2.9% plus SOFR per annum. The principal will be repaid over an eight-year term, through 32 quarterly installments averaging at approximately \$590 and a balloon payment of \$2,388 at the expiration of the bareboat. Following the second anniversary of the bareboat charter, the Company has continuous options to repurchase the vessel at predetermined prices as set forth in the agreement. At the end of the 8-year bareboat period, the Company has the option to repurchase the vessel for \$2,388, which the Company expects to exercise. The charterhire principal as of December 31, 2022 was \$19,572.

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Existing Sale and Leaseback Agreements*Flagship Cargill Sale and Leaseback*

On May 11, 2021, the Company entered into a \$20,500 sale and leaseback agreement with Cargill for the purpose of financing part of the acquisition cost of the *Flagship*. The Company sold and chartered back the vessel from Cargill on a bareboat basis for a five-year period, having a purchase obligation at the end of the fifth year. Under ASC 842-40, the transaction was accounted for as a financial liability. The implied average applicable interest rate is equivalent to 2% per annum. The sale and leaseback agreement does not include any financial covenants or security value maintenance provisions. The Company has continuous options to buy back the vessel during the whole five-year sale and leaseback period at predetermined prices as set forth in the agreement and at the end of such period it has a purchase obligation at \$10,000. Additionally, at the time of repurchase, if the market value of the vessel exceeds certain threshold prices, as set forth in the agreement, the Company will pay to Cargill 15% of the difference between the market price and such threshold prices. The charterhire principal amortizes in sixty monthly installments averaging approximately \$175 each along with a balloon payment of \$10,000, at maturity on May 10, 2026. The charterhire principal as of December 31, 2022, was \$17,300.

CMB Financial Leasing Co., Ltd. ("CMBFL") Sale and Leaseback

On June 22, 2021, the Company entered into sale and leaseback agreements for the *Hellaship* and the *Patriotship* in the total amount of a \$30,900 with CMBFL for the purpose of financing the outstanding acquisition price of both vessels. The Company sold and chartered back the vessels from two affiliates of CMBFL on a bareboat basis for a five-year period. The financings bear interest of LIBOR plus a margin of 3.5%. The Company is required to maintain a corporate leverage ratio (as defined therein) that will not be higher than 85% until the maturity. Additionally, each bareboat Charterer is required to maintain minimum liquidity of \$550 in its earnings account. The bareboat charterers are also required to maintain a value maintenance ratio of at least 120% of the charterhire principals. The Company has the option to buy back the vessels between the end of the second year until the end of the fifth year at predetermined prices as defined in the agreement. Under ASC 842-40, the transaction was accounted for as a financial liability as it was determined that the Company's exercise of the option to buy back the vessels was highly probable considering the Company's significant equity participation in the project, and as a result, the expiry cost of each vessel will be considerably lower than the respective net book value at such time. No participation liability was recognized as of December 31, 2022 and 2021, respectively, due to Cargill's entitlement to participate in the appreciation of the vessel's market value as the estimated market value did not exceed the threshold prices. The charterhire principal amortizes in twenty quarterly installments of \$780 each along with a balloon payment of \$15,300, at maturity on June 28, 2026. The charterhire principal as of December 31, 2022, was \$26,220.

Hanchen Sale and Leaseback

On June 28, 2018, the Company entered into a \$26,500 sale and leaseback agreement for the *Knightship* with Hanchen Limited ("Hanchen"), an affiliate of AVIC International Leasing Co., Ltd.. The Company's wholly-owned subsidiary, Knight Ocean Navigation Co ("Knight" or the "Charterer") sold and chartered back the vessel on a bareboat basis for an eight year period, having a purchase obligation at the end of the eighth year. The charterhire principal bears interest at LIBOR plus a margin of 4%. Under ASC 842-40, the transaction was accounted for as a financial liability. Of the \$26,500, \$18,550 were cash proceeds, \$6,625 was withheld by Hanchen as an upfront charterhire upon the delivery of the vessel, and an amount of \$1,325, or Charterer's Deposit, included in "Deposits assets, non-current" in the consolidated balance sheets as of December 31, 2021 and 2020, was given as a deposit by Knight to Hanchen upon the delivery of the vessel in order to secure the due observance and performance by Knight of its obligations and undertakings as per the sale and leaseback agreement. The Charterer's Deposit can be set off against the balloon payment at maturity. The Charterer is required to maintain a value maintenance ratio (as defined in the additional clauses of the bareboat charter) of at least 120% of the charterhire principal minus the Charterer's Deposit. The Company has continuous options to buy back the *Knightship* at any time following the second anniversary of the bareboat charter and a purchase obligation of \$5,299 at the end of the leaseback period. The charterhire principal amortizes in thirty-two consecutive equal quarterly installments of approximately \$456 along with a balloon payment of \$5,299 at maturity on June 29, 2026. The charterhire principal, as of December 31, 2022, was \$11,676. On March 29, 2023, the Company entered into a \$19,000 sale and leaseback agreement with Evahline Inc. for the refinancing of the existing lease facility (Note 16).

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(All amounts in footnotes in thousands of US Dollars, except for share and per share and warrants data, unless otherwise stated)

Championship Cargill Sale and Leaseback

On November 7, 2018, the Company entered into a \$23,500 sale and leaseback agreement for the *Championship* with Cargill International SA (“Cargill”) for the purpose of refinancing the outstanding indebtedness of the *Championship* under the May 2017 ATB Loan Facility. The Company sold and chartered back the vessel from Cargill on a bareboat basis for a five year period, having a purchase obligation at the end of the fifth year. The implied average applicable interest rate is equivalent to 4.71% per annum. Under ASC 842-40, the transaction was accounted for as a financial liability. The Company is required to maintain an amount of \$1,600 which may be set-off against the vessel repurchase price (Note 4). Moreover, under the subject sale and leaseback agreement, an additional tranche was provided to the Company for an amount of up to \$2,750 for the purpose of financing the cost associated with the acquisition and installation on board the *Championship* of an open loop scrubber system which was fully drawn. The sale and leaseback agreement does not include any financial covenants or security value maintenance provisions. Moreover, as part of the transaction, the Company issued 750 of its common shares to Cargill which were subject to customary statutory registration requirements. The fair market value of the shares on the date issued to Cargill was \$1,541 and amortize over the lease term using the effective interest method. The unamortized balance is accounted for as a deferred finance cost and is classified in other financial liabilities on the consolidated balance sheets. The Company has continuous options to buy back the vessel during the whole five-year sale and leaseback period at predetermined prices as set forth in the agreement and at the end of which period it has a purchase obligation at \$14,051. At the time of repurchase, if the market value of the vessel exceeds certain threshold prices, as set forth in the agreement, the Company will pay to Cargill 20% of the difference between the market price and such threshold prices (the “Profit Share Amount”). Additionally, upon the repurchase of the vessel, the Company is obliged to pay an amount for the remaining period of the initial charterhire based on the Baltic Capesize Index FFA curve and a discount rate on the Baltic Capesize Index as per the sale and leaseback agreement (the “Washout Amount”). On November 15, 2022, the Company exercised its option to purchase the *Championship*. Pursuant to the exercise of the purchase option, the Company has agreed to pay upon the delivery of the vessel (which is expected to take place in the second quarter of 2023) (i) an amount of \$793, accounting for the Profit Share Amount and (ii) an amount of \$120 for the Washout Amount. The charterhire principal amortizes in sixty monthly installments averaging approximately \$167 each along with a balloon payment of \$14,051, including the additional scrubber tranche, at maturity on November 7, 2023. The charterhire principal and the scrubber tranche, as of December 31, 2022, was \$15,501 and \$1,089, respectively. In March 2023, the Company obtained a commitment letter in order to refinance the existing lease facility secured by the *Championship* (Note 16).

All of the Company’s secured facilities (i.e., long-term debt and other financial liabilities) bear either floating interest at LIBOR or SOFR plus a margin or fixed interest.

Certain of the Company’s long-term debt and other financial liabilities contain financial covenants and undertakings requiring the Company to maintain various financial ratios, including:

- a minimum borrower’s liquidity;
- a minimum guarantor’s liquidity;
- a security coverage requirement; and
- a leverage ratio.

As of December 31, 2022, the Company was in compliance with all covenants relating to its loan facilities as at that date.

As of December 31, 2022, ten of the Company’s owned vessels (excluding assets held for sale), having a net carrying value of \$271,863, were subject to first and second priority mortgages as collaterals to their long-term debt facilities. In addition, the Company’s six bareboat chartered vessels, having a net carrying value of \$162,270 as of December 31, 2022, have been financed through sale and leaseback agreements. As is in typical leaseback agreements, the title of ownership is held by the relevant lenders.

**Seanergy Maritime Holdings Corp.
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(All amounts in footnotes in thousands of US Dollars, except for share and per share and warrants data, unless otherwise stated)

Subordinated long-term debt

The Company refers to the First JDH Loan, the Second JDH Loan and the Fourth JDH Loan (all mentioned below) as the “JDH Loans”.

Securities Purchase Agreements and Omnibus Supplemental Agreements:

In December 2020, the Company and Jelco Delta Holding Corp., or JDH, the Company’s creditor and a former affiliate and former related party, entered into a securities purchase agreement, or SPA, an omnibus supplemental agreement with respect to the JDH Loans (as mentioned below), or Omnibus Loans Agreement, and an omnibus supplemental agreement with respect to the JDH Notes (as mentioned below), or Omnibus Notes Agreement, which set forth the terms of the amendments of the outstanding loan facilities and convertible notes between the Company and JDH. Pursuant to these agreements, all maturities under the JDH Loans and the JDH Notes (as mentioned below) were extended to December 2024 and the interest rate was set at 5.5% until maturity. The conversion price under the JDH Notes was set to \$12.0 per common share. In connection with this transaction, the Company prepaid \$6,500 of the principal amount of the Second JDH Loan on December 31, 2020. In exchange for the settlement of all accrued and unpaid interest under the JDH Loans and JDH Notes through December 31, 2020, in an aggregate amount of \$4,350, and an amendment fee of \$1,241, the Company issued, on January 8, 2021, 798,691 units at a price of \$7.0 per unit, with each unit consisting of one common share of the Company (or, at JDH’s option, one pre-funded warrant in lieu of such common share) and ten warrants to purchase one common share at an exercise price of \$7.0 per share. Furthermore, the Company granted to JDH an option, to purchase up to 428,571 additional Units at a price of \$7.0 per Unit in exchange for the settlement of principal under the Second JDH Loan in an amount equal to the aggregate purchase price of the units. In addition, pursuant to the terms of the Omnibus Loans Agreement, in 2022 and 2023, two mandatory repayments of \$8,000 would be made, which would be applied to the JDH Loans on a pro rata basis based upon the principal amounts outstanding at that time. Any amounts outstanding after the two mandatory repayments would be repaid at the maturity date. Furthermore, the Omnibus Loans Agreement provided for certain prepayment provisions through a cash sweep mechanism, capturing (i) corporate liquidity in excess of \$25,000 or (ii) Time Charter Equivalent revenues in excess of \$18,000 and up to \$21,000. Lastly the JDH Loans were mandatorily prepaid on a pro rata basis from 25% of the net proceeds from any future equity offerings and warrant exercises. Pursuant to the terms of the Omnibus Loans Agreement, the total repayments on the JDH Loans (including the mandatory repayments and any prepayments) shall not exceed \$12,000 in any twelve-month period ending on December 31.

The Company considered the troubled debt restructuring guidance regarding the December 31, 2020 JDH amendments and concluded that it was not met. The Company further considered the modification and extinguishment accounting guidance under ASC 470-50 and concluded that modification accounting was appropriate. The Company concluded:

- (i) amount of \$1,015 was expensed as incurred in 2020, since it concerned amounts paid to third parties in relation to the JDH amendments, whereas the remaining amount of \$166 was included in additional paid-in capital, since these costs related to the issuance of units;
- (ii) the amendment fee of \$1,241 was accounted for as a debt deferred cost and is amortized to each facility’s maturity;
- (iii) the fair value of the option granted to JDH to purchase up to 428,571 additional units was recorded as debt discount and was amortized to Second JDH Loan’s maturity (Note 8);
- (iv) for the accounting treatment of the fair value of the units issued to JDH and the change in the fair value of the conversion option, refer to Note 8.

All amounts regarding the JDH amendments discussed above were recorded as of December 31, 2020, the date of the closing of the transaction.

First JDH Loan originally entered into on October 4, 2016

Pursuant to the terms of the SPA, the fiscal year 2020 accrued and unpaid interest of \$630 under the First JDH Loan was deemed fully and finally settled.

In February 2021, the Company fully repaid the outstanding balance of \$5,900 of the First JDH Loan using proceeds from (i) Class E warrants exercises during 2021 (Note 11) and (ii) its February 2021 registered direct offering (Note 11), pursuant to the mandatory prepayment terms of the SPA and Omnibus Loans Agreement. On the date of repayment, \$111 of unamortized debt discounts were written off according to the debt extinguishment guidance of ASC 470-50 and was included in “Loss in extinguishment of debt” in the consolidated statement of operations.

Seanergy Maritime Holdings Corp.
Notes To The Consolidated Financial Statements

(All amounts in footnotes in thousands of US Dollars, except for share and per share and warrants data, unless otherwise stated)

Second JDH Loan originally entered into on May 24, 2017

Pursuant to the terms of the SPA, the fiscal year 2020 accrued and unpaid interest of \$841 under the Second JDH Loan was deemed fully and finally settled. The unamortized deferred financing costs as of December 31, 2020, include an amount of \$543, being the fair value of the option granted to JDH to purchase additional securities (Note 9).

In February 2021, the Company prepaid \$100 of the outstanding balance of the Second JDH Loan, using proceeds from (i) Class E warrants exercises during 2021 (Note 11) and (ii) its February 2021 registered direct offering (Note 11). On April 26, 2021, JDH exercised its option to purchase 428,571 additional Units (with each unit consisting of one common share of the Company, or, at JDH's option, one pre-funded warrant in lieu of such common share, and ten warrants to purchase one common share at an exercise price of \$7.0 per share) at a price of \$7.0 per Unit in exchange for the settlement of principal under the Second JDH Loan in an amount of \$3,000 (i.e., an amount equal to the aggregate purchase price of the units). The issuance of units to JDH and associated reduction in debt balance took place on May 6, 2021. On the same date, the Company fully amortized the unamortized balance of \$424 of the fair value of the option to purchase the 428,571 Units, in accordance with its original conversion terms and recognized such amount in "Interest and Finance costs".

On February 28, 2022, the Company voluntarily prepaid the remaining balance of \$1,850 of the Second JDH Loan using cash on hand. All obligations under the Second JDH Loan were irrevocably and unconditionally discharged pursuant to the deed of release dated February 28, 2022.

Fourth JDH Loan originally entered into on March 26, 2019

Pursuant to the terms of the SPA, the fiscal year 2020 accrued and unpaid interest of \$454 under the Fourth JDH Loan was deemed fully and finally settled.

In February 2021, the Company fully repaid the outstanding balance of \$6,000 of the Fourth JDH Loan using proceeds from (i) Class E warrants exercises during 2021 (Note 11) and (ii) its February 2021 registered direct offering (Note 11), pursuant to the mandatory prepayment terms of the SPA and Omnibus Loans Agreement. On the date of repayment, \$113 of unamortized debt discounts were written off according to the debt extinguishment guidance of ASC 470-50 and was included in "Loss in extinguishment of debt" in the consolidated statement of operations.

The annual principal payments required to be made after December 31, 2022 for all long-term debt and other financial liabilities, are as follows:

Twelve-month periods ending December 31,	Amount
2023	50,006
2024	30,633
2025	47,911
2026	77,296
Thereafter	42,857
Total	248,703

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8. Convertible Notes:

The Company refers to the First JDH Note, the Second JDH Note and the Third JDH Note (mentioned below) as the “JDH Notes”.

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

	December 31, 2022	December 31, 2021
Convertible notes	11,165	21,165
Less: beneficial conversion feature	-	(10,949)
Convertible notes, net of beneficial conversion feature	11,165	10,216
Less: Deferred financing costs	(9)	(75)
Less: Change in fair value of conversion option	(323)	(2,568)
Total	10,833	7,573
Less – current portion	(10,833)	(769)
Long-term portion	-	6,804

On December 31, 2020, the Company entered into the Omnibus Notes Agreement pursuant to which the maturity of the JDH Notes were extended to December 31, 2024, the interest rate was set at a fixed rate of 5.5% and the conversion price was adjusted to \$12.0. In addition, pursuant to the terms of the Omnibus Notes Agreement, in 2022 and 2023, two mandatory repayments would be made towards the JDH Notes in an amount equal to the difference between \$8,000 and any repayments made towards the First, Second and Fourth JDH Loans under the Omnibus Loans Agreement. Amounts repaid would be applied to the JDH Notes on a pro rata basis based upon the principal amounts outstanding. Any amounts outstanding after the two mandatory repayments would be repaid at the maturity date. Furthermore, the Omnibus Notes Agreement provided for certain prepayment provisions through a cash sweep mechanism, capturing (i) corporate liquidity in excess of \$25,000 or (ii) Time Charter Equivalent revenues in excess of \$18,000 and up to \$21,000. The total amount to be repaid on the JDH Notes (including the mandatory repayments and any prepayments) and on the JDH Loans shall not exceed \$12,000 in any twelve-month period ending on December 31. Additionally, pursuant to the terms of the SPA, all unpaid interest accrued under the JDH Notes through December 31, 2020 of \$2,425 was deemed fully and finally settled.

March 12, 2015 - \$4,000 Convertible Note (First JDH Note)

Pursuant to the terms of the SPA, the fiscal year 2020 accrued and unpaid interest of \$238 under the First JDH Note was deemed fully and finally settled.

On October 5, 2021, JDH elected to convert \$120 of the principal amount of the First JDH Note into 10,000 fully paid and non-assessable shares. On the date of conversion, \$19 of unamortized debt discounts were expensed as interest according to the debt conversion guidance of ASC 470-20-40-1.

On October 8, 2021, JDH elected to convert an additional \$3,480 of the principal amount of the First JDH Note into 290,000 fully paid and non-assessable shares. On the date of conversion, \$543 of unamortized debt discounts were expensed as interest according to the debt conversion guidance of ASC 470-20-40-1.

On December 10, 2021, the Company redeemed at par the \$200 outstanding balance of the First JDH Note with cash on hand by utilizing the note’s voluntary prepayment provisions (as described therein). On the date of prepayment, \$30 of unamortized debt discounts were written off according to the debt extinguishment guidance of ASC 470-20-40-3 and was included in “Loss in extinguishment of debt” in the consolidated statement of operations.

Seanergy Maritime Holdings Corp.
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(All amounts in footnotes in thousands of US Dollars, except for share and per share and warrants data, unless otherwise stated)

September 27, 2017 - \$13,750 Convertible Note (Third JDH Note)

Pursuant to the terms of the SPA, the fiscal year 2020 accrued and unpaid interest of \$861 under the Third JDH Note was deemed fully and finally settled.

On December 10, 2021, the Company redeemed at par the \$13,750 outstanding balance of the Third JDH Note with cash on hand by utilizing the note's voluntary prepayment provisions (as described therein). On the date of prepayment, \$6,171 of unamortized debt discounts, which included BCF, were written off according to the debt extinguishment guidance of ASC 470-20-40-3 and was included in "Loss in extinguishment of debt" in the consolidated statement of operations.

The net debt at inception (i.e. initial applicable limit minus debt discount related to BCF), accumulated deficit and debt movement of the First and Third JDH Notes is presented below:

	Net debt at inception	Accumulated deficit	Debt
Balance, December 31, 2020	3,361	8,670	12,031
Repayments / Conversions	(17,550)	-	(17,550)
Amortization (Note 11)	-	995	995
Loss on extinguishment	-	4,524	4,524
Balance, December 31, 2021	(14,189)	14,189	-

September 7, 2015 - \$21,165 Revolving Convertible Note (Second JDH Note)

Pursuant to the terms of the SPA, the fiscal year 2020 accrued and unpaid interest of \$1,326 under the Second JDH Note was deemed fully and finally settled. The unamortized balance of the change in the fair value of the conversion option of the Second JDH Note amounted to \$323 and \$2,549, respectively, as of December 31, 2022 and 2021 and will be amortized through the effective interest rate method to the note's maturity.

On January 26, 2022, the Company voluntarily prepaid \$5,000 of the outstanding balance of the Second JDH Note using cash on hand (Note 8). In connection with this prepayment the Company's cash sweep obligations for 2022 under the JDH Loans and JDH Notes were waived pursuant to a waiver letter signed on January 19, 2022. On March 10, 2022, the Company voluntarily prepaid another \$5,000 of the outstanding balance of the Second JDH Note using cash on hand (Note 8). As of December 31, 2022, \$11,165 was outstanding under the Second JDH Note.

Upon adoption of ASU No. 2020-06 on January 1, 2022, the Second JDH Note increased by \$10,949, representing the net impact of two adjustments: (1) the \$21,165 value of beneficial conversion feature ("BCF"), previously classified in additional paid-in-capital in stockholders' equity, and (2) a \$10,216 decrease to accumulated deficit for the cumulative effect of adoption related to the recorded amortization expense of BCF (Note 2).

The Company may, by giving five business days prior written notice to JDH at any time, prepay the whole or any part of the Second JDH Note in cash or, subject to JDH's prior written agreement on the price per share, in a number of fully paid and nonassessable shares of the Company equal to the amount of the note(s) being prepaid divided by the agreed price per share. At JDH's option, the Company's obligation to repay the principal amount under the Second JDH Note or any part thereof may be paid in common shares at a conversion price of \$12.00 per share. JDH has also received customary registration rights with respect to any shares to be received upon conversion of the Second JDH Note.

Seenergy Maritime Holdings Corp.
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(All amounts in footnotes in thousands of US Dollars, except for share and per share and warrants data, unless otherwise stated)

9. Financial Instruments:

The guidance for fair value measurements applies to all assets and liabilities that are being measured and reported on a fair value basis. This guidance enables the reader of the financial statements to assess the inputs used to develop those measurements by establishing a hierarchy for ranking the quality and reliability of the information used to determine fair values. The same guidance requires that assets and liabilities carried at fair value should be classified and disclosed in one of the following three categories based on the inputs used to determine its fair value:

- Level 1: Quoted market prices in active markets for identical assets or liabilities;
- Level 2: Observable market-based inputs or unobservable inputs that are corroborated by market data;
- Level 3: Unobservable inputs that are not corroborated by market data.

(a) Significant Risks and Uncertainties, including Business and Credit Concentration

The Company places its temporary cash investments, consisting mostly of deposits, primarily with high credit qualified financial institutions. The Company performs periodic evaluations of the relative credit standing of those financial institutions that are considered in the Company's investment strategy. The Company limits its credit risk with accounts receivable by performing ongoing credit evaluations of its customers' financial condition and generally does not require collateral for its accounts receivable and does not have any agreements to mitigate credit risk.

(b) Fair Value of Financial Instruments

The fair values of the financial instruments shown in the consolidated balance sheets as of December 31, 2022 and 2021, represent management's best estimate of the amounts that would be received to sell those assets or that would be paid to transfer those liabilities in an orderly transaction between market participants at that date.

Those fair value measurements maximize the use of observable inputs. However, in situations where there is little, if any, market activity for the asset or liability at the measurement date, the fair value measurement reflects the Company's own judgments about the assumptions that market participants would use in pricing the asset or liability. Those judgments are developed by the Company based on the best information available in the circumstances.

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

- a. Cash and cash equivalents, restricted cash, accounts receivable trade, other current assets and trade accounts and other payables: the carrying amounts approximate fair value because of the short maturity of these instruments. Cash and cash equivalents and restricted cash, current are considered Level 1 items as they represent liquid assets with short-term maturities. The carrying value approximates the fair market value for interest bearing cash classified as restricted cash, non-current and are considered Level 1 item of the fair value hierarchy.
- b. Long-term debt and other financial liabilities: The carrying value of long-term debt and other financial liabilities with variable interest rates approximates the fair market value as the long-term debt and other financial liabilities bear interest at floating interest rate. The fair value of fixed interest long-term debt is estimated using prevailing market rates as of the period end. The Company believes the terms of its fixed interest long-term debt are similar to those that could be procured as of December 31, 2022, and the carrying value of \$33,890 is 5% higher than the fair market value of \$32,332. The fair value of the fixed interest long-term debt has been obtained through Level 2 inputs of the fair value hierarchy.

10. Commitments and Contingencies:

Contingencies

Various claims, lawsuits, and complaints, including those involving government regulations and product liability, arise in the ordinary course of the shipping business. In addition, losses may arise from disputes with charterers, agents, insurance and other claims with suppliers relating to the operations of the Company's vessels. As of December 31, 2022, management is not aware of any material claims or contingent liabilities, which have not been disclosed, or for which a provision has not been established in the accompanying consolidated financial statements.

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

Commitments

The Company operates certain of its vessels under lease agreements. Time charters typically may provide for charterers' options to extend the lease terms and termination clauses. The Company's time charters range from 9 to 60 months and extension periods vary from 11 to 27 months. In addition, the time charters contain termination clauses which protect either the Company or the charterers from material adverse events. Variable lease payments in the Company's time charters vary based on changes in the freight market index. The Company has the option to convert some of these variable lease payments to fixed based on the prevailing Capesize forward freight agreement rates.

The following table sets forth the Company's future minimum contractual charter revenue based on vessels committed to non-cancelable time charter contracts as at December 31, 2022. For index-linked time charter contracts the calculation was made using the initial charter rates (these amounts do not include any assumed off-hire).

Twelve-month periods ending December 31,	Amount
2023	114,441
2024	25,862
2025	15,056
2026	5,321
Total	160,680

In April 2018, the Company moved into its new office spaces under a five-year lease term, with a Company's option to extend the lease term for another five-year term. On September 16, 2020, the lease term was amended and set for ten years (i.e., April 2028), with a Company's option to extend the lease term for two consecutive five-year terms thereafter. The monthly rent was set at Euro 12,747 and after the prepayment of Euro 250,000, on September 22, 2020 resulted in a reduced monthly rent of Euro 10,000 or (\$10.7 based on the Euro/U.S. dollar exchange rate of €1.0000: \$1.0666 as of December 31, 2022). Under ASC 842, the lease is classified as an operating lease and a lease liability and right-of-use asset based on the present value of future minimum lease payments have been recognized on the balance sheet. The monthly rent expense is recorded in general and administration expenses. The rent expense for the years ended December 31, 2022, 2021 and 2020 was \$161, \$179 and \$180, respectively.

The following table sets forth the Company's undiscounted office rental obligations as at December 31, 2022:

Twelve-month periods ending December 31,	Amount
2023	128
2024	128
2025	128
2026	128
2027	128
Thereafter	32
Total	672
Less: imputed interest	(173)
Present value of lease liabilities	499
Lease liabilities, current	108
Lease liabilities, non-current	391
Present value of lease liabilities	499

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11. Capital Structure:

(a) Preferred Stock

The Company is authorized to issue up to 25,000,000 registered shares of preferred stock with a par value of \$0.0001. The board of directors of the Company is expressly granted the authority to issue preferred shares and to establish such series of preferred shares with such designations, preferences and relative participating, rights, qualifications, limitations or restrictions as it determines. As at December 31, 2022 and 2021, the Company had 20,000 series B preferred shares issued and outstanding with par value \$0.0001 per share. The series B preferred shares were issued on December 10, 2021, to the Company's Chief Executive Officer, considered a related party, for a total cash consideration of \$250. The issuance of the Series B preferred shares was approved by a special independent committee of the board of directors of the Company which obtained a fairness opinion from an independent financial advisor regarding the value of the preferred shares. Each series B preferred shares entitle the holder to 25,000 votes per share on all matters submitted to a vote of the shareholders of the Company, provided however, that no holder of series B preferred shares may exercise voting rights pursuant to series B preferred shares that would result in the aggregate voting power of any beneficial owner of such shares and its affiliates to exceed 49.99% of the total number of votes eligible to be cast on any matter submitted to a vote of shareholders of the Company. The holder of series B preferred shares shall have no special voting or consent rights and shall vote together as one class with the holders of the common shares on all matters put before the shareholders. The series B preferred shares are not convertible into common shares or any other security, are not redeemable, are not transferable and have no dividend rights. Upon any liquidation, dissolution or winding up of the Company, the series B preferred shares will rank pari-passu with the common shareholders and shall be entitled to receive a payment equal to the par value of \$0.0001 per share. The Series B preferred holder has no other rights to distributions upon any liquidation, dissolution or winding up of the Company.

(b) Common Stock

i) NASDAQ Notifications – Effect of reverse stock split

On August 1, 2022, the Company received written notification from The Nasdaq Stock Market ("Nasdaq"), indicating that because the closing bid price of the Company's common stock for 30 consecutive business days, from June 16, 2022, to July 29, 2022, was below the minimum \$1.00 per share bid price requirement for continued listing on the Nasdaq Capital Market, the Company was not in compliance with Nasdaq Listing Rule 5550(a)(2). Pursuant to the Nasdaq Listing Rule 5810(c)(3)(A), the applicable grace period to regain compliance was 180 days, or until January 30, 2023. The Company could cure this deficiency if the closing bid price of its common stock was \$1.00 per share or higher for at least ten consecutive business days during the grace period (Note 16).

On January 26, 2022, the Company received written notification from Nasdaq, indicating that because the closing bid price of the Company's common stock for 30 consecutive business days, from December 13, 2021 to January 25, 2022, was below the minimum, \$1.00 per share bid price requirement for continued listing on the Nasdaq Capital Market, the Company was not in compliance with Nasdaq Listing Rule 5550(a)(2). On February 14, 2022, the Company received written notification from Nasdaq that the Company regained compliance with Nasdaq Listing Rule 5550(a)(2) concerning the minimum bid price of the Company's common stock. The compliance was regained organically, as the closing bid price of the Company's common stock has been at \$1.00 per share or greater for at least 10 consecutive business days.

On September 30, 2020, the Company received written notification from The Nasdaq Stock Market ("Nasdaq"), indicating that because the closing bid price of the Company's common stock for 30 consecutive business days, from August 18, 2020 to September 29, 2020, was below the minimum \$1.00 per share bid price requirement for continued listing on the Nasdaq Capital Market, the Company was not in compliance with Nasdaq Listing Rule 5550(a)(2). On February 11, 2021, the Company received written notification from Nasdaq that the Company regained compliance with Nasdaq Listing Rule 5550(a)(2) concerning the minimum bid price of the Company's common stock. The compliance was regained organically, as the closing bid price of the Company's common stock has been at \$1.00 per share or greater for at least 10 consecutive business days.

On June 30, 2020, the Company's common stock began trading on a split-adjusted basis, following a June 25, 2020 approval from the Company's board of directors to reverse split the Company's common stock at a ratio of one-for-sixteen, in order to cure the deficiency of the minimum bid price requirement originally communicated to the Company on July 15, 2019. No fractional shares were issued in connection with the reverse split. Shareholders who would otherwise hold a fractional share of the Company's common stock received a cash payment in lieu of such fractional share.

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ii) Dividends

On March 10, 2022, the Company announced a regular quarterly dividend of \$0.25 per share as well as a special dividend of \$0.25 per share for the fourth quarter of 2021 which were paid on April 5, 2022 to all shareholders of record as of March 25, 2022.

On May 31, 2022, the Company announced a regular quarterly dividend of \$0.25 per share for the first quarter of 2022 which was paid on July 14, 2022 to the shareholders of record as of June 28, 2022.

On August 4, 2022, the Company announced a regular quarterly dividend of \$0.25 per share for the second quarter of 2022 which was paid on October 11, 2022 to the shareholders of record as of September 25, 2022.

On November 30, 2022, the Company announced a regular quarterly dividend of \$0.25 per share for the third quarter of 2022 which was paid on January 30, 2023 to the shareholders of record as of December 28, 2022 (Note 16). The dividend declared on November 30, 2022 amounting to \$4,548 is included in "Other current liabilities" as of December 31, 2022 in the accompanying consolidated balance sheet and were paid to the shareholders of record on January 30, 2023 (Note 16).

The total dividends declared in 2022 amounted to \$22,472.

iii) Common stock issuances and buybacks

In June 2022, the Board of Directors of the Company authorized a share repurchase plan under which the Company may repurchase up to \$5,000 of its outstanding common shares, convertible note or warrants. No repurchases have been made as of December 31, 2022.

During the fourth quarter of 2021, the Company repurchased 170,210 of its outstanding common shares at an average price of approximately \$9.93 pursuant to its share repurchase program for a total of \$1,708, inclusive of commissions and fees. All the repurchased shares were cancelled as of December 31, 2021.

On July 2, 2021, the Company's board of directors declared a dividend of one preferred share purchase right (a "Right") for each of the Company's outstanding common shares and adopted a shareholder rights plan (the "Shareholders Rights Agreement"). The dividend was payable on July 19, 2021 to the shareholders of record on July 2, 2021. Each Right will allow its holder to purchase from the Company one one-thousandth of a Series A Participating Preferred Share (a "Preferred Share") for \$5.00 (the "Exercise Price"), once the Rights become exercisable. This portion of a Preferred Share will give the shareholder approximately the same dividend, voting and liquidation rights as would one common share. Prior to exercise, the Right does not give its holder any dividend, voting, or liquidation rights. The Rights will not be exercisable until ten days after the public announcement that a person or group has become an "Acquiring Person" by obtaining beneficial ownership of 10% (15% in the case of a passive institutional investor) or more of the Company's outstanding common shares. The Acquiring Person will not be entitled to exercise these Rights. If an Acquiring Person obtains beneficial ownership of 10% (15% in the case of a passive institutional investor) or more of the Company's common shares, then each Right will entitle the holder to purchase for the Exercise Price, in lieu of one one-thousandth of a share of Series A Preferred Stock, a number of common shares having a then-current market value of twice the Exercise Price. In addition, if after an Acquiring Person obtains 10% (15% in the case of a passive institutional investor) or more of the Company's common shares, (i) the Company merges into another entity; (ii) an acquiring entity merges into the Company; or (iii) the Company sells or transfers 50% or more of its assets, cash flow or earning power, then each Right will entitle the holder to purchase, for the Exercise Price, a number of common shares of the person engaging in the transaction having a then-current market value of twice the Exercise Price. The board of directors may redeem the Rights for \$0.0001 per Right under certain circumstances. The Rights expire on the earliest of (i) July 1, 2024; or (ii) the redemption or exchange of the Rights. As at December 31, 2022 and 2021, no Rights were exercised.

On April 26, 2021, JDH exercised its option to purchase 428,571 additional Units (with each unit consisting of one common share of the Company, or, at JDH's option, one pre-funded warrant in lieu of such common share, and ten warrants to purchase one common share at an exercise price of \$7.00 per share) at a price of \$7.00 per Unit in exchange for the settlement of principal under the Second JDH Loan in an amount of \$3,000 (i.e., an amount equal to the aggregate purchase price of the units) (Note 6). 428,571 common shares were issued to JDH in this transaction.

On October 5, 2021, JDH elected to convert \$120 of the principal amount of the First JDH Note into 10,000 fully paid and non-assessable shares (Note 8).

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On October 8, 2021, JDH elected to convert an additional \$3,480 of the principal amount of the First JDH Note into 290,000 fully paid and non-assessable shares (Note 8).

iv) Equity Offerings

On February 19, 2021, the Company sold 4,415,000 common shares under a registered direct offering at a price of \$17 per common share, in exchange for gross proceeds of \$75,055, or net proceeds of approximately \$69,971.

During April through August 2020, the Company raised \$73,750 in proceeds net of underwriters fees and commissions or \$71,835 in proceeds net of underwriters fees, commissions and other expenses, from two follow-on public offering, four registered direct offerings, and from the partial exercises of Class D warrants issued in the follow-on public offering as well as the full exercise of all warrants issued in four private placements that took place concurrently with the registered direct offerings (see below).

On April 2, 2020, the Company completed a follow-on public offering of 253,646 units (including the full exercise of the over-allotment option of 33,084 units granted to the underwriters), each unit consisting of one common share or pre-funded warrants in lieu of common shares and 160 Class D warrants to purchase one common share of the Company, at a combined price of \$27.20 per unit. On April 22, 2020, the exercise price of the Class D warrants was lowered from \$27.2 per share initially to \$19.20 per share and on June 8, 2020 was further reduced to \$16.00 per share. The gross proceeds from the follow-on public offering were \$6,899. Each Class D warrant has an exercise price of \$16.00, is exercisable upon issuance and expires in April 2025.

On August 20, 2020, the Company completed an underwritten public offering of (i) 3,571,428 units, each unit consisting of one common share or pre-funded warrant in lieu of common shares and ten Class E Warrants to purchase one common share of the Company, at a combined price of \$7.00 per Unit and (ii) 5,182,142 Class E Warrants purchased by the underwriters under their over-allotment option at a price of \$0.01. The gross proceeds from the public offering were \$25,000.

On September 1, 2020, 258,214 common shares were issued following the partial exercise of the overallotment option granted to the underwriters related to the underwritten public offering which closed on August 20, 2020, in exchange for gross proceeds of \$1,782.

In October 2020, 200,000 common shares were issued following the partial exercise of the remaining outstanding pre-funded warrants related to the underwritten public offering which closed on August 20, 2020, in exchange for gross proceeds of \$20.

(c) Warrants

All warrants are classified in equity, according to the Company's accounting policy (Note 2).

During the year ended December 31, 2022, 10,000 shares were issued from 100,000 Class E warrants exercised, for proceeds of \$70. As of December 31, 2022, 8,532,713 of Class E warrants remain outstanding.

In connection with the public offering which closed on April 2, 2020, the Company granted to the representative of the underwriters one representative warrant to purchase 11,028 common shares, at an exercise price of \$34.0 per share. The warrants expire in April 2023.

On June 8, 2020, the company entered into a warrant exercise agreement with each holder of Class D warrants pursuant to which public warrants were exercised to purchase 61,404 shares at a price of \$16.0 per share. The Company's gross proceeds were \$982.

As of December 31, 2020, out of the 40,583,500 Class D Warrants from the April 2020 follow-on public offering, the Company has issued 226,342 common shares in exchange for gross proceeds of \$4,100, including the \$982 received under the June 8, 2020 Class D warrant exercise agreement. 4,368,750 Class D Warrants remained unexercised as of December 31, 2021 and 2020, for the issuance of 27,304 shares at an exercise price of \$16.0 per share.

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On August 20, 2020, the Company completed an underwritten public offering of (i) 3,571,428 units, each unit consisting of one common share or pre-funded warrant in lieu of common shares and ten Class E Warrants to purchase one common share of the Company, at a combined price of \$7.0 per unit and (ii) 5,182,142 Class E Warrants purchased by the underwriters under their over-allotment option. Each common share issuable under Class E warrants has an exercise price of \$7.0, is exercisable upon issuance and expires in August 2025. All pre-funded warrants have been exercised as of December 31, 2020. No Class E warrants were exercised within 2020. During the year ended December 31, 2021, 3,226,371 shares were issued from Class E warrants' exercises, for proceeds of \$22,585.

On December 31, 2020, the Company agreed to issue to JDH (i) 7,986,913 warrants to purchase common shares at an exercise price of \$7.0 per share and (ii) 95,573 pre-funded warrants with an exercise price of \$0.001 in lieu of such common shares as part of the December 2020 JDH amendments. The 7,986,913 warrants were issued on January 8, 2021 and expire in January 2026. On March 24, 2021, the Company issued 95,573 common shares to JDH, following JDH's exercise of its pre-funded warrants. On April 26, 2021, JDH exercised its option to purchase 428,571 additional Units (with each unit consisting of one common share of the Company, or, at JDH's option, one pre-funded warrant in lieu of such common share, and ten warrants to purchase one common share at an exercise price of \$7.0 per share) at a price of \$7.0 per Unit in exchange for the settlement of principal under the Second JDH Loan in an amount of \$3,000 (i.e., an amount equal to the aggregate purchase price of the units) (Note 7). The issuance of shares to JDH and associated reduction in debt balance took place on May 6, 2021 (Note 7). The 4,285,714 warrants were issued on May 6, 2021 and had an expiration date of May 2026. On May 12, 2021, JDH exercised 7,986,913 warrants to purchase 798,691 common shares at an exercise price of \$7.0 per share. The Company received the funds of \$5,591 on May 14, 2021 and the shares were issued to JDH on May 19, 2021. On December 10, 2021, the Company bought back the warrant to purchase 428,571 common shares from JDH for \$1,023.

The Company's previously issued Class B Warrants, trading under the symbol SHIPZ, expired according to their terms on May 13, 2022. Pursuant to such expiration trading of the Class B Warrants was terminated. The Class B Warrants were the last class of the Company's warrants that were listed for trading.

As of December 31, 2022, the number of common shares that can potentially be issued under each outstanding warrant are:

Warrant	Shares to be issued upon exercise of remaining warrants
Class D	27,304
Class E	853,271
Representative Warrants	11,028
Total	891,603

12. Vessel Revenue and Voyage Expenses:

Revenue Recognition

Demurrage income for the years ended December 31, 2022, 2021 and 2020 was \$NIL, \$800 and \$819, respectively.

Despatch expense for the years ended December 31, 2022, 2021 and 2020 was \$NIL, \$110 and \$133, respectively.

Disaggregation of Revenue

The following table presents the Company's income statement figures derived from spot charters and time charters for the years ended December 31, 2022, 2021 and 2020:

	Year ended December 31,		
	2022	2021	2020
Vessel revenues from spot charters, net of commissions	-	28,264	27,033
Vessel revenues from time charters, net of commissions	122,629	124,844	36,312
Total	122,629	153,108	63,345

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The Company disaggregates its revenue from contracts with customers by the type of charter (time and spot charters). The trade accounts receivable of \$720 as of December 31, 2022 relates to time charters. There was no trade accounts receivable balance as of December 31, 2021.

The current portion of Deferred revenue as of December 31, 2022 was \$2,232 and relates entirely to operating leases. The non-current portion of Deferred revenue as of December 31, 2022 was \$35 and relates entirely to operating leases and is related to premiums for energy devices (i.e. increased daily hire rates provided for by the chartering agreements) for specific equipment installed in the vessels. The Deferred revenue is allocated on a straight-line basis over the minimum duration of each charter party, except for unearned revenue, which represents cash received in advance of services which have not yet been provided. Revenue recognized in 2022 from amounts included in Deferred revenue at the beginning of the period was \$7,735.

Charterers individually accounting for more than 10% of revenues during the years ended December 31, 2022, 2021 and 2020 were:

Customer	2022	2021	2020
A	24%	15%	-
B	18%	13%	-
C	17%	23%	23%
D	15%	11%	18%
E	-	10%	-
Total	<u>74%</u>	<u>72%</u>	<u>41%</u>

Voyage Expenses

The following table presents the Company's income statement figures derived from spot charters and time charters for the years ended December 31, 2022, 2021 and 2020:

	Year ended December 31,		
	2022	2021	2020
Voyage expenses from spot charters	-	13,465	17,099
Voyage expenses from time charters	4,293	3,004	1,468
Total	<u>4,293</u>	<u>16,469</u>	<u>18,567</u>

13. Interest and Finance Costs:

Interest and finance costs are analyzed as follows:

	Year ended December 31,		
	2022	2021	2020
Interest on long-term debt and other financial liabilities	11,609	8,766	10,279
Convertible notes interest expense	694	2,067	-
Amortization of deferred finance costs and debt discounts	2,575	3,333	757
Amortization of deferred finance costs and debt discounts (shares issued to third party - non-cash)	284	326	350
Amortization of convertible note beneficial conversion feature (non-cash)	-	2,887	-
Fair value measurement of units issued to former related party	-	-	596
Other	170	400	360
Total	<u>15,332</u>	<u>17,779</u>	<u>12,342</u>

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Interest and finance costs, related party, are analyzed as follows:

	Year ended December 31,		
	2022	2021	2020
Interest expense long term debt related party	-	-	1,924
Convertible notes interest expense	-	-	2,425
Amortization of convertible note beneficial conversion feature (non-cash)	-	-	5,518
Amortization of deferred finance costs and debt discounts (shares issued to JDH - non-cash)	-	-	201
Restructuring expenses	-	-	1,015
Total	<u>-</u>	<u>-</u>	<u>11,083</u>

14. Earnings per Share:

The calculation of net income per common share is summarized below:

	For the years ended December 31,		
	2022	2021	2020
Net income / (loss)	\$ 17,239	\$ 41,348	\$ (18,356)
Less: Dividends to non-vested participating securities	(227)	-	-
Less: Undistributed earnings to non-vested participating securities	(105)	-	-
Net income / (loss) attributable to common shareholders, basic	<u>\$ 16,907</u>	<u>\$ 41,348</u>	<u>\$ (18,356)</u>
Undistributed earnings to non-vested participating securities	\$ 105	\$ -	\$ -
Undistributed earnings reallocated to non-vested participating securities	(51)	-	-
Interest effect of convertible notes	-	6,473	-
Net income / (loss) attributable to common shareholders, diluted	<u>\$ 16,961</u>	<u>\$ 47,821</u>	<u>\$ (18,356)</u>
Weighted average common shares outstanding, basic	17,439,033	15,332,191	3,343,628
Effect of dilutive securities:			
Warrants	245,015	541,009	-
Non-vested participating securities	-	169,522	-
Convertible notes shares	-	3,091,031	-
Weighted average common shares outstanding, diluted	<u>17,684,048</u>	<u>19,133,753</u>	<u>3,343,628</u>
Net income / (loss) per share attributable to common shareholders, basic	\$ 0.97	\$ 2.70	\$ (5.49)
Net income / (loss) per share attributable to common shareholders, diluted	\$ 0.96	\$ 2.50	\$ (5.49)

As of December 31, 2022, non-vested participating shares under the Company's equity incentive plan of 294,232 were excluded from the computation of diluted shares as their effect was already considered under the more dilutive two-class method used above (Note 15). As of December 31, 2022, securities that could potentially dilute basic EPS in the future that were not included in the computation of diluted EPS, because to do so would have anti-dilutive effect, are 38,332 incremental shares of unexercised warrants that are out-of-the money as of the reporting date (Note 11), calculated with the treasury stock method, as well as 930,416 shares assumed to be converted with respect to the convertible notes (Note 8) calculated with the if-converted method. As of December 31, 2021, securities that could potentially dilute basic EPS in the future that were not included in the computation of diluted EPS, because to do so would have anti-dilutive effect, were 81,230 potentially issuable shares of unexercised warrants that were out-of-the money as of December 31, 2021. As of December 31, 2020, securities that could potentially dilute basic EPS in the future that were not included in the computation of diluted EPS, because to do so would have anti-dilutive effect, were 5,069,928 incremental shares of unexercised warrants that were out-of-the money as of December 31, 2020, as well as 3,226,250 shares assumed to be converted with respect to the convertible notes (Note 8) calculated with the if-converted method.

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15. Equity Incentive Plan:

On February 24, 2020, the Compensation Committee granted an aggregate of 15,625 restricted shares of common stock pursuant to the Company's Equity Incentive Plan (as amended, the "Plan"). Of the total 15,625 shares issued, 4,500 shares were granted to the non-executive members of the board of directors, 4,281 were granted to the executive officers, 6,063 shares were granted to certain of the Company's non-executive employees and 781 shares were granted to the sole director of the Company's commercial manager, a non-employee. The fair value of each share on the grant date was \$51.20. All the shares vested over a period of two years. 5,209 shares vested on February 24, 2020, 5,208 shares vested on October 1, 2020 and 5,208 shares vested on October 1, 2021.

On January 18, 2021, the Company's Equity Incentive Plan was amended and restated to increase the aggregate number of shares of the common stock reserved for issuance under the Plan to 400,000 shares. The same date, the Compensation Committee granted an aggregate of 360,000 restricted shares of common stock pursuant to the Equity Incentive Plan. Of the total 360,000 shares issued, 140,000 shares were granted to the non-executive members of the board of directors, 95,000 were granted to the executive officers, 110,000 shares were granted to certain of the Company's non-executive employees and 15,000 shares were granted to the sole director of the Company's commercial manager, a non-employee. The fair value of each share on the grant date was \$8.10. 120,003 shares vested on the grant date, 119,999 shares vested on October 1, 2021 and 119,998 shares vested on October 1, 2022.

On August 2, 2021, the Company's Equity Incentive Plan was amended and restated to increase the aggregate number of shares of the common stock reserved for issuance under the Plan to 350,000 shares. The same date, the Compensation Committee granted an aggregate of 310,000 restricted shares of common stock pursuant to the Equity Incentive Plan. Of the total 310,000 shares issued, 130,000 shares were granted to the non-executive members of the board of directors, 88,500 were granted to the executive officers, 79,000 shares were granted to certain of the Company's non-executive employees and 12,500 shares were granted to the sole director of the Company's commercial manager, a non-employee and another non-employee. The fair value of each share on the grant date was \$10.20. 103,335 shares vested on the grant date, 103,333 shares vested on October 1, 2021 and 103,332 shares vested on October 1, 2022.

On January 12, 2022, the Company's Equity Incentive Plan, as previously amended, was further amended and restated to increase the aggregate number of shares of the common stock reserved for issuance under the Plan to 550,000 shares. The same date, the Compensation Committee granted an aggregate of 533,700 restricted shares of common stock pursuant to the Equity Incentive Plan. Of the total 533,700 shares issued, 160,000 shares were granted to the non-executive members of the board of directors, 170,000 were granted to the executive officers, 188,700 shares were granted to certain of the Company's non-executive employees and 15,000 shares were granted to the sole director of the Company's commercial manager, a non-employee. The fair value of each share on the grant date was \$9.10. 177,902 shares vested on the grant date, 177,899 shares vested on October 1, 2022 and 177,899 shares will vest on October 1, 2023.

On July 8, 2022, the Company's Equity Incentive Plan, as previously amended, was further amended and restated to increase the aggregate number of shares of the common stock reserved for issuance under the Plan to 400,000 shares. The same date, the Compensation Committee granted an aggregate of 350,000 restricted shares of common stock pursuant to the Equity Incentive Plan. Of the total 350,000 shares issued on July 12, 2022, 140,000 shares were granted to the non-executive members of the board of directors, 105,000 were granted to the executive officers, 95,000 shares were granted to certain of the Company's non-executive employees and 10,000 shares were granted to the sole director of the Company's commercial manager, a non-employee. The fair value of each share on the grant date was \$6.90. 116,670 shares vested on the date of the issuance, July 12, 2022, 116,665 shares vested on October 1, 2022 and 116,665 shares will vest on October 1, 2023.

The related expense for shares granted to the Company's board of directors and certain of its employees for the years ended December 31, 2022, 2021 and 2020, amounted to \$6,973, \$4,907 and \$826, respectively, and is included under general and administration expenses. The related expense for shares granted to non-employees for the years ended December 31, 2022, 2021 and 2020, amounted to \$212, \$190 and \$43, respectively, and is included under voyage expenses.

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Restricted shares during 2022, 2021 and 2020 are analyzed as follows:

	Number of Shares	Weighted Average Grant Date Price
Outstanding at December 31, 2020	5,208	\$ 24.80
Granted	670,000	9.10
Vested	(451,877)	9.60
Outstanding at December 31, 2021	223,331	\$ 7.88
Granted	883,700	8.25
Vested	(812,133)	8.47
Forfeited	(666)	9.13
Outstanding at December 31, 2022	294,232	\$ 7.34

The unrecognized cost for the non-vested shares granted to the Company's board of directors and certain of its employees as of December 31, 2022 and 2021 amounted to \$1,200 and \$1,106, respectively. On December 31, 2022, the weighted-average period over which the total compensation cost related to non-vested awards granted to the Company's board of directors and its other employees not yet recognized is expected to be recognized is 0.75 years.

16. Subsequent Events

On January 3, 2023, the Company repaid \$8.0 million of the Second JDH Note at its face value, without any prepayment cost or additional consideration in accordance with the terms of the Second JDH Note.

On January 10, 2023, the Company completed its tender offer to purchase all outstanding Class E Warrants at a price of \$0.20 per warrant. The total number of warrants tendered was 4,038,114 warrants, representing approximately 47% of the outstanding Class E Warrants. The number of remaining Class E Warrants outstanding is 4,494,599 (Note 11).

On January 30, 2023, the Company paid a regular quarterly dividend of \$0.25 per share for the third quarter of 2022 to all shareholders of record as of December 28, 2022 (Note 11).

On January 31, 2023, the Company received written notification from NASDAQ, indicating that the Company was granted an additional 180-day grace period, until July 31, 2023, to cure its non-compliance with Nasdaq Listing Rule 5550(a)(2). At the opening of trading on February 16, 2022, following a February 9, 2023 approval from the Company's board of directors, the Company effected a one-for-ten reverse stock split of the Company's common stock. On March 3, 2023, the Company received written notification from Nasdaq that the Company regained compliance with Nasdaq Listing Rule 5550(a)(2) concerning the minimum bid price of the Company's common stock (Note 1).

On February 10, 2023, the Company delivered the *Goodship* to her new owners. On February 9, 2023, in connection with the disposal of the vessel, the company fully prepaid the outstanding loan amount of \$6,100 under the ABB Loan Facility.

On February 28, 2023, the Company delivered the *Tradership* to her new owners. On February 24, 2023, in connection with the disposal of the vessel, the company fully prepaid the outstanding loan amount of \$6,800 under the ABB Loan Facility.

On March 2, 2023, the Company obtained a commitment letter from Danish Ship Finance for a loan facility of up to \$15,750, in order to refinance the Championship Cargill Sale and Leaseback. The interest rate will be 2.65% plus 3-month Term SOFR per annum, which can be increased or decreased by 0.05% based on certain emission reduction thresholds, and the term of the agreement will be five years. The facility will be repaid through eight quarterly installments of \$725 followed by 12 quarterly installments of \$585 and a balloon of \$2,930 payable together with the last instalment. The transaction is subject to completion of definitive documentation.

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On March 14, 2023, the Company announced a regular quarterly dividend of \$0.025 per share for the fourth quarter of 2022, payable on or about April 25, 2023 to all shareholders of record as of March 31, 2023.

On March 27, 2023, the Compensation Committee granted an aggregate of 1,823,800 restricted shares of common stock pursuant to the Plan. Of the total 1,823,800 shares issued on March 27, 2023, 400,000 shares were granted to the non-executive members of the board of directors, 930,000 were granted to the executive officers, 433,800 shares were granted to certain of the Company's non-executive employees and 60,000 shares were granted to the sole director of the Company's commercial manager, a non-employee. The fair value of each share on the grant date was \$5.22. 607,974 shares vested on the date of the issuance, March 27, 2023, 607,913 shares will vest on October 1, 2023 and 607,913 shares will vest on October 1, 2024.

On March 29, 2023, the Company entered into a \$19,000 sale and leaseback agreement with Evahline Inc. for the refinancing of the Hanchen Sale and Leaseback. The agreement is expected to become effective by mid-April 2023, upon the delivery of the *Knightship* to the lessor. The charterhire principal will amortize in seventy-two consecutive monthly installments of \$264, bearing an interest rate of 3-month term SOFR plus 2.80% per annum. Following the second anniversary of the bareboat charter, the Company has continuous options to repurchase the vessel at predetermined prices as set forth in the agreement. At the end of the six-year bareboat period, the Company has the option to repurchase the vessel at no additional cost, following the full amortization of the charterhire principal, which the Company expects to exercise.