Seanergy Maritime Holdings Corp.
Form F-1/A
November 08, 2018

As filed with the Securities and Exchange Commission on November 7, 2018

Registration No. 333-221058

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

AMENDMENT NO. 5 TO
FORM F-1
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933
Seanergy Maritime Holdings Corp.
(Exact name of registrant as specified in its charter)

Republic of the Marshall Islands	4412	N.A.
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification No.)

Seanergy Maritime Holdings Corp.
154 Vouliagmenis Avenue
166 74 Glyfada
Athens, Greece
Tel: +30 210 8913507
(Address and telephone number of Registrant's principal executive offices)

With copies to:

Gary J. Wolfe, Esq. Seward & Kissel LLP One Battery Park Plaza New York, New York 10004 (212) 574-1200 (telephone number) (212) 480- 8421 (facsimile number)	Todd E. Mason Thompson Hine LLP 335 Madison Avenue New York, New York 10017 (212) 344-5680 (telephone number)

Approximate date of commencement of proposed sale to the public: As soon as practicable after this Registration Statement becomes effective.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, please check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933.

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 7(a)(2)(B) of the Securities 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.

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Proposed Maximum Aggregate Offering Price(1)(2)	Amount of Registration Fee
Common shares, $0.0001 par value per share		
Total	$5,750,000	$696.90 (3)

(1) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(o) of the Securities Act of 1933, as amended.

(2) Includes the offering price of common shares that may be sold pursuant to the underwriters' option to purchase additional common shares.

(3) Previously paid.

The registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until the Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and is not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED NOVEMBER 7, 2018

PRELIMINARY PROSPECTUS

5,600,000

Common Shares

Seanergy Maritime Holdings Corp.

We are offering 5,600,000 of our common shares in this offering. On November 6, 2018, the last reported sale price per share of our common shares on the Nasdaq Capital Market was $0.89.

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

Investing in our securities involves a high degree of risk. See "Risk Factors" beginning on page 15 of this prospectus for a discussion of information that should be considered in connection with an investment in our securities.

	Per Common Share	Total
Public offering price	$	$
Underwriting discount and commissions	$	$
Proceeds to the Company, before expenses	$	$

We have granted the underwriters an option for a period of up to 45 days to purchase up to 840,000 additional common shares.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The underwriters expect to deliver the common shares to purchasers in the offering on or about , 2018.

Fearnley Securities

The date of this prospectus is , 2018.

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ABOUT THIS PROSPECTUS

You should rely only on the information contained and incorporated by reference into this prospectus and in any free writing prospectus filed with the Securities and Exchange Commission. We have not, and the underwriters have not, authorized anyone to provide you with different information or to make representations other than those contained in this prospectus. If anyone provides you with different or inconsistent information, you should not rely on it. We are not, and the underwriters are not, making an offer to sell these securities in any jurisdiction where the offer is not permitted.

We obtained certain statistical data, market data and other industry data and forecasts used or incorporated by reference into this prospectus from publicly available information. While we believe that the statistical data, industry data, forecasts and market research are reliable, we have not independently verified the data, and we do not make any representation as to the accuracy of the information.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This prospectus and the documents incorporated by reference into this prospectus contain 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 prospectus and the documents incorporated by reference into this prospectus 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.

In addition to these important factors and matters discussed elsewhere herein and in the documents incorporated by reference herein, 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 drybulk commodities, including drybulk commodities carried by sea, generally or in particular regions;
- changes in the number of newbuildings under construction in the drybulk 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 the availability of crew, number of off-hire days, classification survey requirements and insurance costs for the vessels in our fleet;
- changes in our ability to leverage the relationships and reputation in the drybulk shipping industry of V.Ships Limited, or V.Ships, and Fidelity Marine Inc., or Fidelity;
- 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;
- our ability to continue as a going concern;
- acts of terrorism and other hostilities;
- changes in global and regional economic and political conditions;
- changes in governmental rules and regulations or actions taken by regulatory authorities, particularly with respect to the drybulk shipping industry; and
- other factors listed from time to time in registration statements, reports or other materials that we have filed with or furnished to the U.S. Securities and Exchange Commission, or the Commission, including our most recent annual report on Form 20-F, which is incorporated by reference into this prospectus.

These factors could cause actual results or developments to differ materially from those expressed in any of our forward-looking statements. Other unknown or unpredictable factors also could harm our results or developments. 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 publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law. 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.

ENFORCEABILITY OF CIVIL LIABILITIES

We are incorporated under the laws of the Republic of the Marshall Islands and our principal executive offices are located outside the United States. Certain of our directors and officers reside outside the United States. In addition, substantially all of our assets and the assets of certain of our directors and officers are located outside the United States. As a result, it may not be possible for you to serve legal process within the United States upon us or any of these persons. It may also not be possible for you to enforce, both in and outside the United States, judgments you may obtain in United States courts against us or these persons in any action, including actions based upon the civil liability provisions of U.S. federal or state securities laws.

Furthermore, there is substantial doubt that courts in jurisdictions outside the U.S. (i) would enforce judgments of U.S. courts obtained in actions against us or our directors or officers based upon the civil liability provisions of applicable U.S. federal and state securities laws or (ii) would enforce, in original actions, liabilities against us or our directors or officers based on those laws.

PROSPECTUS SUMMARY

This summary highlights certain information that appears elsewhere in this prospectus or in documents incorporated by reference herein, and this summary is qualified in its entirety by that more detailed information. This summary may not contain all of the information that may be important to you. We urge you to carefully read this entire prospectus and the documents incorporated by reference herein. As an investor or prospective investor, you should also review carefully the sections entitled "Cautionary Statement Regarding Forward-Looking Statements" and "Risk Factors" in this prospectus and in our Annual Report on Form 20-F for the year ended December 31, 2017.

Unless the context otherwise requires, as used in this prospectus, the terms "Company", "Seanergy", "we", "us" and "our" refer to Seanergy Maritime Holdings Corp. and 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 ton, or dwt, in describing the size of our 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 in this prospectus to "$" or "dollars" are to U.S. dollars, and financial information presented in this prospectus is derived from the financial statements incorporated by reference in this prospectus that were prepared in accordance with accounting principles generally accepted in the United States, or U.S. GAAP.

Overview

We are Seanergy Maritime Holdings Corp., an international shipping company specializing in the worldwide seaborne transportation of drybulk commodities, primarily iron ore and coal. We believe we have established a reputation in the international drybulk shipping industry for operating and maintaining vessels with high standards of performance, reliability and safety. Our management team is comprised of executives with extensive experience operating large and diversified fleets, and who have strong relationships to a growing number of international charterers.

Our fleet was acquired at a historically low point in the shipping cycle. In 2015, we acquired eight modern drybulk vessels (six Capesize and two Supramax vessels). In 2016 and 2017 we acquired a further three Capesize drybulk vessels. We refer to the ten vessels that we presently operate as our Fleet. Since March 2015, we have invested $275 million to acquire our Fleet, excluding the modern secondhand Capesize that we have agreed to acquire in September 2018. Capesize vessels range in size between 165,000 to 190,000 dwt. Supramax vessels range in size between 40,000 to 65,000 dwt.

In September 2018, we entered into agreements to sell our remaining Supramax vessel and purchase an additional Capesize vessel. Following the aforementioned Capesize vessel acquisition and the Supramax vessel disposal, our Company will be the only pure-play Capesize owner publicly listed in the U.S.

Our Fleet

As of the date of this prospectus, we operate a fleet of ten dry bulk carriers, comprised of nine Capesize vessels and one Supramax vessel, with a combined cargo-carrying capacity of approximately 1,625,763 dwt and an average age of approximately 9.6 years. The following table lists the vessels in our fleet as of the date of this prospectus:

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Fleet

Vessel Name	Year Built	Dwt	Flag	Yard	Type of Employment
Championship	2011	179,238	LIB	Sungdong	Spot
Partnership	2012	179,213	MI	Hyundai	Time Charter(2)
Knightship(3)	2010	178,978	LIB	Hyundai	Spot
Lordship	2010	178,838	LIB	Hyundai	Time Charter(4)
Gloriuship	2004	171,314	MI	Hyundai	Spot
Leadership	2001	171,199	BA	Koyo-Imabari	Spot
Geniuship	2010	170,057	MI	Sungdong	Spot
Premiership	2010	170,024	IoM	Sungdong	Spot
Squireship	2010	170,018	LIB	Sungdong	Spot
Guardianship (5)	2011	56,884	MI	CSC Jinling	Spot
Average Age/Total dwt:	9.6 years	1,625,763			

Vessel to be Delivered	Year Built	Dwt	Flag	Yard	Type of Employment
Fellowship (5)	2010	179,701	MI	Daewoo	Time Charter (6)
Average Age/Total dwt (7)	9.6 years	1,748,580			

(1) This vessel is being chartered by Uniper Global Commodities Se and was delivered to the charterer on June 13, 2017 for a period of employment of about 12 months to about 18 months at a gross daily rate of $16,200.

(2) On June 29, 2018 we entered into a financing arrangement according to which this vessel was sold to and leased back on a bareboat basis from a major Chinese leasing institution for an eight year period. We have a purchase obligation at the end of the eight year period and we further have the option to repurchase the vessel at any time following the second anniversary of the bareboat charter.

(3) This vessel is being chartered by Oldendorff Carriers GmbH & Co. KG and was delivered to the charterer on June 28, 2017, in direct continuation of the vessel's previous time charter, for a period of about 18 months to about 22 months. The net daily charter hire is calculated at an index linked rate based on the five time charter routes rate of the Baltic Capesize Index. In addition, the time charter provides us an option for any period of time during the hire to be converted into a fixed rate time charter, between three months and 12 months, with a rate corresponding to the prevailing value of the respective Capesize forward freight agreement.

(4) The Company has entered in September 2018 into a definitive agreement with unaffiliated third party for the sale of the Guardianship.

(5) This vessel is expected to be delivered to Seanergy in November 2018. Please see "Prospectus Summary - Recent Developments".

(6) This vessel is being chartered by Swissmarine S.A. and was delivered to the charterer on February 6, 2017 for a period of employment of about 10 months to about 13 months at a gross daily rate of $17,250

(7) Pro-forma fleet, following the delivery of the Fellowship to Seanergy and the Guardianship to its new owners.

Key to Flags:
BA – Bahamas, IoM – Isle of Man, LIB – Liberia, MI – Marshall Islands

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Competitive Strengths

We believe that we possess a number of strengths that provide us with a competitive advantage in the drybulk shipping market, including the following:

- Focus on Capesize Vessels. Our fleet currently consists of nine Capesize vessels and one Supramax vessel. Following the completion of the aforementioned Capesize vessel acquisition and Supramax vessel disposal, our fleet will consist of ten Capesize vessels. Therefore, on a pro-forma basis, our Company will be the only pure-play Capesize publicly-listed shipping company worldwide. We believe our focus on just one asset class (Capesize vessels) in the drybulk space provide us with operational and commercial expertise in this market. We believe, further, that our focus on the Capesize market will attract a broader and deeper shareholder base to benefit from the transport of iron ore and coal, to gain exposure to the industries and economies directly affected by the trade of iron ore and coal (including China and Brazil), and to minimize their exposure to the segments of the drybulk market that may be influenced from a much wider range of variables than the trades of iron ore and coal. According to Karatzas Marine Advisors & Co., seaborne transportation for iron ore and coal has increased by 1.6% in 2016, 4.0% in 2017 and is expected to increase by 3.8% in 2018. In addition, the newbuilding orderbook for Capesize vessels currently represents approximately 3% of the current fleet, a significant reduction from 35.4%, the average size of the newbuilding orderbook of the fleet for the last 10 years. As seen in the graph below, relative to our publicly traded drybulk owner peers, the Company has distinguished itself in the market as a dedicated provider of Capesize tonnage.

Bubble size represents cargo carrying capacity in dwt. Companies in sample: Diana Shipping Inc, Eagle Bulk Shipping Inc, Genco Shipping & Trading Ltd, Pangaea Logistics Solutions, Scorpio Bulkers Inc, Golden Ocean Group, Navios Holdings Inc., Navios Maritime Partners L.P., Eurodry Ltd., Globus Maritime Limited, Safe Bulkers Inc, Star Bulk Carriers Corp.

- Focus on Quality and Commercially Competitive Tonnage. Our fleet consists of modern-design Capesize vessels with large cargo carrying capacity that are expected to be fully compliant with existing and expected regulations. We believe our modern-design vessels built at reputable Korean and Japanese shipyards are preferred by charterers, as they require lower maintenance and typically have lower operating expenses than older vessels.

- Experienced Management. Our Company's leadership has considerable depth of shipping industry expertise. Mr. Tsantanis, our Chairman, Chief Executive Officer, brings more than 20 years of experience in shipping and finance and has held senior management positions in prominent shipping companies prior to leading our Company. Mr. Gyftakis, our Chief Financial Officer, has more than 12 years of experience in senior positions in the shipping finance industry. The Company's Chief Operations Officer, Chief Technical Officer and General Counsel have a combined experience of 53 years in senior positions.

- Access to off market sale and purchase opportunities and ability of prompt execution. Our past track record, the strength and expertise of our management team, our commercial expertise and reputation in the marketplace, and our transparent and public structure may allow us to source off-market secondhand vessels and to build on our strong track record of executing such transactions.

- Access to Attractive Chartering Opportunities. The Company's senior management in combination with Fidelity, our commercial manager, has established strong global relationships with international miners, charterers and brokers. We believe that our relationships with these counterparties should provide us with access to attractive chartering opportunities. Furthermore, we aim to maintain our fleet at a level that meets or exceeds stringent industry standards as we believe that owning a modern and well-maintained fleet provides us with a competitive advantage in securing favorable time and spot charters. However, it is possible that the daily rates we receive on future time and spot charters may be lower depending on market fluctuations. As a demonstration of our ability to source attractive employment opportunities two of our vessels have recently entered into long-term time charters with a duration of five years. As part of the agreements, the charterers have agreed to cover the costs for the installation of exhaust gas systems, or scrubbers, on our vessels in order to ensure compliance with the International Maritime Organization's Sulphur limit rules that will be in effect after January 1, 2020. We believe that the willingness of our charterers to invest in our vessels is a testament to the superior employment opportunities enjoyed by our fleet.

BUSINESS STRATEGY

Our strategy is centered on managing our fleet to world-class standards to produce strong cash flows and to further expand our fleet to build our position as a reliable provider of international seaborne transportation services for drybulk commodities. The key elements of our business strategy include:

- Expanding Our Fleet Through Accretive Acquisitions. We aim to acquire high quality Capesize dry bulk carriers through timely acquisitions at prices that are attractive when compared to the vessels' future earnings potential. We currently view the Capesize vessel class as providing the most attractive returns in the dry bulk space given existing vessel price levels. In evaluating acquisitions, we consider and analyze, among other things, our expectation of fundamental developments in the drybulk shipping industry sector, the level of liquidity in the resale and charter market, vessel condition and technical specifications, expected remaining useful life, as well as the overall strategic positioning of our fleet and customers. For vessels acquired with charters attached, we also consider the credit quality of the charterer and duration and terms of the contracts in place.

- Positioned to Capitalize on an Improving Rate Environment via Spot Market Exposure. We believe our current fleet is optimized to capture increasing vessel revenues because of an upward trend in spot rates. Currently our entire fleet with the exception of two vessels is employed in the spot market under agreements that allow Seanergy to benefit from market improvements. The average of the five time charter routes for the Baltic Capesize Index, or the BCI TCE, the generally agreed upon proxy for spot Capesize shipping rates, has recently increased significantly by 5,154% from the record low level of $485 per day on March 17, 2016 to $14,959 per day on November 7, 2018. The average daily BCI TCE of the last fifteen years from November 2008 until October 2018 is $38,174. As spot charter rates revert to long-term average levels, we expect our chartering strategy to shift towards employing a greater proportion of our fleet under long term fixed-rate contracts in order to minimize downside risk. Because the spot market is volatile, there can be no assurance that the recent increases in the drybulk charter market will continue.

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- Building a Modern-design Capesize Fleet with Critical Mass. In today's competitive world, shipping companies with larger fleets can benefit from economies of scale by reducing operating expenses per vessel due to volume price discounting; larger fleets also command the preference of the charterers as they can also benefit from the economies of scale themselves. More importantly, shipping companies with larger fleets have greater access to financing on competitive terms from shipping banks and lessors, as well as from institutional investors and the capital markets. The graph shown above under "Competitive Strengths", illustrates our Company's distinct position in the marketplace now as it has gained critical mass in terms of deadweight tonnage.

Management of Our Fleet

We manage our vessels' operations, insurances, claims and bunkering and have the general supervision of our third-party technical and commercial managers. Pursuant to technical management agreements with our vessel owning subsidiaries, V. Ships, an independent third party, provides technical management for our vessels that includes general administrative and support services, such as crewing and other technical management, accounting related to vessels and provisions. Fidelity, an independent third party, provides commercial management services for all of the vessels in our fleet pursuant to a commercial management agreement with Seanergy Management Corp., our wholly-owned ship managing subsidiary.

Loan Facilities and Other Financial Liabilities Update

We currently have six senior secured loan facilities with commercial lenders with an aggregate outstanding balance of $173.3 million, two junior secured and one unsecured loan facility with Jelco Delta Holdings Corp., or Jelco, a company affiliated with Claudia Restis, who is our principal shareholder, or Sponsor with an outstanding balance of $19.4 million and a sale and leaseback financing agreement with an outstanding balance of $19.4 million.

The senior secured loan facility with Alpha Bank AE, originally entered into in March 2015 and amended in December 2015, July 2016 and June 2018, currently has an outstanding balance of $6.0 million and amortization payments for this facility commenced on June 17, 2015. The senior secured loan facility with HSH Nordbank AG, originally entered into in September 2015 and amended in May 2016, February 2017 and March 2018, currently has an outstanding balance of $36.2 million and amortization payments for this facility commenced on September 30, 2017. The senior secured loan facility with UniCredit Bank AG, originally entered into in September 2015 and amended in June 2016, July 2016, March 2017, September 2017, April 2018 and October 2018 currently has an outstanding balance of $43.4 million and amortization payments for this facility commenced on June 26, 2017. The senior secured loan facility with Alpha Bank AE, originally entered into in November 2015 and amended in July 2016 and June 2018, currently has an outstanding balance of $31.2 million and amortization payments for this facility commenced on February 12, 2018. The senior secured loan facility with ATB, which was originally entered into in May 2017 and was amended and restated in September 2017, in order to partially fund the refinancing of our previous loan facility with Natixis, and further amended in May 2018, currently has an outstanding balance of $32.3 million and amortization payments for this facility commenced on August 28, 2017 and November 27, 2017, respectively. Lastly, the senior secured loan facility provided by Blue Ocean maritime lending funds managed by EnTrustPermal, originally entered into in June 2018 for the purpose of refinancing the outstanding indebtedness under the previous loan facility with NSF, currently has an outstanding balance of $24.3 million and amortization payments for this facility commenced on September 13, 2018.

Additionally, the junior secured loan facility with Jelco, originally entered into in October 2016 and amended and restated in November 2016, currently has an outstanding balance of $5.9 million. The junior secured loan facility with Jelco, originally entered into in May 2017 and amended in June 2017, in August 2017 and further amended and restated in September 2017, currently has an outstanding balance of $11.5 million. Lastly, the junior unsecured loan facility with Jelco, originally entered into in April 2018, which was amended and restated in June 2018 and further amended in August 2018, currently has an outstanding balance of $2.0 million.

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Finally, in June 2018, we entered into a sale and leaseback agreement with Hanchen Limited, or Hanchen, an affiliate of AVIC International Leasing Co., Ltd., for the purpose of refinancing the outstanding indebtedness under the previous loan facility with NSF. Under U.S. GAAP, the transaction was accounted for as a failed sale and leaseback transaction and resulted in a financial liability. Under the terms of the agreement the Knightship was sold for an amount of $26.5 million and was leased back on a bareboat basis for a period of 8 years. Seanergy has an obligation to purchase the vessel at the end of the 8-year period. As of the date of this prospectus, the amount outstanding is $19.4 million.

As of the date of this prospectus, we are in compliance with all applicable financial covenants under our loan facilities, subject to reduced thresholds for certain financial covenants which will expire or adjust in 2019. In the absence of a significant deterioration in market conditions, we expect to remain in compliance with all applicable financial covenants following such expiration or adjustment of the currently reduced thresholds in 2019. For more information regarding our current loan facilities, please see "Management's Discussion and Analysis of Financial Condition and Results of Operations - Description of Indebtedness" in our unaudited interim consolidated financial statements for the six months ended June 30, 2018 in our Report on Form 6-K filed with the Commission on August 10, 2018, which is incorporated by reference herein.

Drybulk Shipping Industry Trends

Based on information provided by Karatzas Marine Advisors & Co., we believe that the following industry trends create growth opportunities for us as an owner and operator of drybulk vessels:

- dry bulk fleet growth has declined every year from 2011 to 2016, while 2017 fleet growth of 2.20% was the lowest of the past 17 years. Given that the vessel orderbook is currently at a low level and the long lead-time involved in new vessel orders, fleet growth is expected to remain below 3% until 2020;

- global economic activity and industrial production continues to rely on raw materials and commodity consumption. World dry bulk trade is expected to increase by 2.5% in 2018 and 2.4% in 2019;

- strong steel profit margins support high demand for high-grade iron ore concentrates, which are mainly exported out of Brazil, Australia and South Africa. Mining capacity expansion by the world's largest mining companies to fulfill this demand has supported increasing demand for Capesize dry bulk vessels over the past years, a trend which is expected to continue; Vale's, BHP Billiton's and Rio Tinto's production growth for the first 9 months of 2018 was 3.8%, 6.3% and 4.8%, respectively;

- in 2017 and 2018, there has been a significant rise in vessel prices compared to the levels seen in 2016. Prices for 5-year and 10-year old 180,000 dwt Capesize vessels averaged approximately $24.5 and $13.8 million, respectively, in 2016, while prices in October 2018 stood at $36 million and $25 million, respectively. As a matter of comparison, the fifteen year average for 5-year and 10-year old Capesize vessels stand at $43 million and $31 million respectively, even when excluding years 2006-2008, considered years of a super cycle. Despite the significant increase of 80%, we believe there is upside potential since current asset prices are materially below the fifteen-year historical average;

- as of October 24, 2018, the average of the BCI TCE was $19,025 per day, 157% higher than the average level in 2016; the fifteen-year average for short-term Capesize vessel time-charters was approximately $38,000 per day, or $26,000 per day when the years of the 2006-2008 supercycle are excluded. The present Capesize freight market is materially lower than the historical average and we believe further upside potential for the market "reverting to the mean";

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the regulations enacted by the International Maritime Organization, mandating higher maintenance standards of vessels, installation of ballast water management systems, and gradually lower emissions will require material capital investments that will render older drybulk vessels uneconomical for retrofitting and will expedite their demolition;

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- charterers' concerns about environmental and safety standards shifting their preference toward modern vessels that are owned and operated by reputable and financially stable shipowners.

The details on the industry trends set forth in this section have been prepared by Karatzas Marine Advisors & Co. We and Karatzas Marine Advisors & Co. can provide no assurance, however, that the industry trends described above will continue, we will be successful in capitalizing on any such opportunities or we will be able to expand our business. For further discussion of the risks that we face, see "Risk Factors" beginning on page 15 of this prospectus. Please read "The Drybulk Shipping Industry" for more information on the drybulk shipping industry.

Recent Developments

Scrubber Installations in Cooperation with Leading Dry-Bulk Charterers

During September and October 2018, we entered into commercial agreements for the installation of exhaust gas systems, or scrubbers, on five of our Capesize bulk carriers before the January 1, 2020 implementation date of the IMO sulfur emission cap regulations. The Company has secured the scrubber equipment from Hyundai Materials, a Korean manufacturer, and has reserved retrofitting slots at an experienced dry-dock facility in China. In connection to the installation of scrubbers, the Company has entered into the following agreements:

Partnership and Lordship. The Company has entered into two time charter agreements with a major European utility company, for the Partnership and Lordship, for a firm period of 33 to 37 months plus one additional period of 11 to 13 months at charterer's option.

Premiership and Squireship. The Company has entered into two time charter agreements with a leading multinational commodity trading and mining company, for the Premiership and Squireship, for a firm period of 36 to 42 months plus two additional periods of 11 to 13 months at charterer's option.

Championship. The Company has entered into an agreement for the sale and leaseback and a five-year time charter with a large international commodity trading company for the Championship, for a firm time-charter period of 60 months plus an additional 18 month period at charterer's option.

The above time charters will commence in the fourth quarter of 2019, with charter hire calculated at an index-linked rate. As part of the time charter agreements, the charterer will cover 100% of the equipment and installation cost for the vessels' retrofitting with the scrubbers. In addition to the daily hire, the Company will be receiving an additional compensation based on the spread between the price of High Sulphur Fuel Oil and the price of Marine Gas Oil or other IMO-compliant and ISO certified Low Sulphur Fuel Oil throughout the course of the time charters.

Vessel Acquisitions and Disposals

Acquisition of a Capesize Vessel. In August 2018, we agreed to acquire a modern secondhand Capesize vessel from an unaffiliated third party, built in 2010 at Daewoo Shipbuilding in South Korea with a cargo-carrying capacity of approximately 180,000 dwt for a gross purchase price of $28.7 million. The delivery of the new vessel is scheduled to take place during November 2018. The vessel is currently on time charter to a major European drybulk operator at a gross daily rate of $17,150 with latest redelivery date in January 2019.

Disposal of the Supramax Vessels. In September 2018, we entered into two separate definitive agreements with unaffiliated third parties for the sale of our only two Supramax vessels, the 2010-built Gladiatorship and the 2011-built Guardianship. The aggregate gross sale price is $22.7 million. The vessels will be classified as "Vessels held for sale" in the Company's balance sheet as of September 30, 2018 and an estimated impairment loss of approximately $3.4 million, per vessel, will be recognized for the nine-month period ended September 30, 2018. The Gladiatorship was delivered to its new owner on October 11, 2018 and we expect the delivery of the Guardianship to take place during the first half of November 2018. Following these transactions, Seanergy will be the only pure-play Capesize vessel owner listed in the U.S. public markets. As of the date of this prospectus the loan outstanding under the Unicredit facility is $43.4 million.

Finally, we have reached an agreement with the existing lender of the two Supramax vessels pursuant to which the loan secured by these vessels will not be prepaid following the respective sales but instead, will remain available to fund the majority of the acquisition cost of the new Capesize vessel under substantially the same terms. The balance of the purchase price will be funded using cash on hand. The sale proceeds of the first Supramax have been maintained by the bank as cash collateral for the underlying loan and will be made available to fund the acquisition of the Capesize vessel at the time of her delivery.

Receipt of Nasdaq Notice

On April 23, 2018, the Company received written notification from the NASDAQ Stock Market, indicating that because the closing bid price of the Company's common stock for 30 consecutive business days, from March 8, 2018 to April 20, 2018, 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 Nasdaq Listing Rule 5810(c)(3)(A), the applicable grace period to regain compliance was until October 22, 2018. : Since the Company failed to regain compliance until October 22, 2018 but met all other listing standards and requirements, the Company was granted an additional 180-day grace period, until April 22, 2019. The Company can cure this deficiency if the closing bid price of its common stock is $1.00 per share or higher for at least ten consecutive business days during the grace period. The Company intends to cure the deficiency within the prescribed grace period. During this time, the Company's common stock will continue to be listed and trade on the Nasdaq Capital Market. The Company's business operations are not affected by the receipt of the notification.

Corporate Information

We were incorporated under the laws of the Republic of the Marshall Islands on January 4, 2008, originally under the name Seanergy Merger Corp., as a wholly-owned subsidiary of Seanergy Maritime Corp. We changed our name to Seanergy Maritime Holdings Corp. on July 11, 2008. Our principal executive office is located at 154 Vouliagmenis Avenue, 166 74 Glyfada, Athens, Greece. Our telephone number at that address is +30 2108913507. Our corporate website address is www.seanergymaritime.com. The information contained on our website does not constitute part of this prospectus.

THE OFFERING

Common shares presently outstanding	38,193,348 common shares(1)
Securities offered by us	5,600,000 common shares (6,440,000 common shares if the underwriters exercise their option to purchase additional shares in full)
Common shares to be outstanding immediately after this offering	43,793,348 common shares (44,633,348 common shares if the underwriters exercise their option to purchase additional shares in full
	We estimate that we will receive net proceeds of approximately $ million, and approximately $ million if the underwriters exercise their option to purchase additional shares in full, after deducting underwriting discounts and commissions and estimated expenses payable by us.
Use of proceeds	We intend to use all of the net proceeds of this offering for general corporate purposes which may include, among other things, prepaying debt or partially funding the acquisition of modern Capesize drybulk vessels in accordance with our growth strategy. However, we do not currently have definitive plans for any debt prepayments nor have we identified any potential acquisitions, and we can provide no assurance that we will be able to complete any debt prepayment or the acquisition of any vessel that we are able to identify. See "Use of Proceeds."
Risk factors	Investing in our securities involves a high degree of risk. See "Risk Factors" below on page 15 and in our Annual Report on Form 20-F for the year ended December 31, 2017, which is incorporated by reference herein, to read about the risks you should consider before investing in our common shares.
Listing	Our common shares and class A warrants are listed on the Nasdaq Capital Market under the symbols "SHIP" and "SHIPW", respectively.
Lock-up Agreements	Subject to certain exceptions, we, all of our executive officers and directors, and certain affiliates have entered into lock-up agreements with the underwriters. Under these agreements, we and each of these persons may not, without the prior written approval of the representatives to the underwriters, offer, sell, contract to sell or otherwise dispose of or hedge common shares or securities convertible into or exchangeable for common shares. These restrictions will be in effect for a period of days after the date of the closing of this offering.

(1) Excludes 43,016,668 shares issuable upon exercise of convertible promissory notes comprised of (i) 4,222,223 common shares issuable upon exercise of a conversion option pursuant to the convertible promissory note dated March 12, 2015, as amended, that we issued to Jelco, (ii) 23,516,667 common shares issuable upon exercise of a conversion option pursuant to the revolving convertible promissory note dated September 7, 2015, as amended, that we issued to Jelco, and (iii) 15,277,778 common shares issuable upon exercise of a conversion option pursuant to the convertible promissory note dated September 27, 2017 that we issued to Jelco. Under each of the convertible promissory notes, Jelco may, at its option, convert the whole or any part of the principal amount under each note at

any time into common shares at a conversion price of $0.90 per share. As of November 6, 2018, $38.8 million was outstanding of convertible promissory notes comprised of (i) $3.8 million was outstanding under the convertible promissory note dated March 12, 2015, (ii) $21.2 million was outstanding under the revolving convertible promissory note dated September 7, 2015 and (iii) $13.8 million was outstanding under the convertible promissory note dated September 27, 2017. As of November 6, 2018, an amount of $3.5 million was available but undrawn under the revolving convertible promissory note dated September 7, 2015.

SUMMARY HISTORICAL CONSOLIDATED FINANCIAL DATA

The information set forth below should be read in conjunction with "Capitalization" and our audited and unaudited consolidated financial statements and related notes incorporated by reference herein.

We derived the following consolidated financial data for the years ended as of December 31, 2017, 2016, 2015, 2014 and 2013 from our audited consolidated financial statements, as presented in our most recent annual report on Form 20-F, which is incorporated by reference in this prospectus. We derived the following consolidated financial data for the six months ended June 30, 2018 and 2017 and as of June 30, 2018 from our unaudited interim consolidated financial statements that are incorporated by reference in this prospectus. Operating results for the six months ended June 30, 2018 are not necessarily indicative of the results that may be expected for the entire year ending December 31, 2018.

On January 8, 2016, we effected a 1-for-5 reverse split of our common shares. The reverse stock split became effective and the common shares began trading on a split-adjusted basis on the NASDAQ Capital Market at the opening of trading on January 8, 2016. There was no change in the number of authorized shares or the par value of our common stock. All share and per share amounts disclosed herein give effect to this reverse stock split retroactively, for all periods presented.

Based on our audited consolidated financial statements:
(Amounts in the tables below are in thousands of U.S. dollars, except for share and per share data.)

	Year Ended December 31,				
	2017	2016	2015	2014	2013
Statement of Income Data:					
Vessel revenue, net	$74,834	$34,662	$11,223	$2,010	$23,079
Voyage expenses	(34,949)	(21,008)	(7,496)	(1,274)	(8,035)
Vessel operating expenses	(19,598)	(14,251)	(5,639)	(1,006)	(11,086)
Voyage expenses - related party	-	-	-	(24)	(313)
Management fees - related party	-	-	-	(122)	(743)
Management fees	(1,016)	(895)	(336)	-	(194)
General and administration expenses	(5,081)	(4,134)	(2,804)	(2,987)	(3,966)
General and administration expenses - related party	-	-	(70)	(309)	(412)
Loss on bad debts	-	-	(30)	(38)	-
Amortization of deferred dry-docking costs	(870)	(556)	(38)	-	(232)
Depreciation	(10,518)	(8,531)	(1,865)	(3)	(982)
Impairment loss for vessels and deferred charges	-	-	-	-	(3,564)
Gain on disposal of subsidiaries	-	-	-	-	25,719
Gain on restructuring	-	-	-	85,563	-
Operating income / (loss)	2,802	(14,713)	(7,055)	81,810	19,271
Interest and finance costs	(12,277)	(7,235)	(1,460)	(1,463)	(8,389)
Interest and finance costs - related party	(5,122)	(2,616)	(399)	-	-
Gain on debt refinancing	11,392	-	-	-	-
Interest and other income	47	20	-	14	13
Loss on interest rate swaps	-	-	-	-	(8)
Foreign currency exchange (losses) / gains, net	(77)	(45)	(42)	(13)	19
Total other expenses, net	(6,037)	(9,876)	(1,901)	(1,462)	(8,365)
Net (loss) / income before taxes	(3,235)	(24,589)	(8,956)	80,348	10,906
Income (taxes) / benefit	-	(34)	-	-	1

Net (loss) / income	$(3,235)	$(24,623)	$(8,956)	$80,348	$10,907
Net (loss) / income per common share					
Basic	$(0.09)	$(1.20)	$(0.83)	$30.06	$4.56
Weighted average common shares outstanding					
Basic	35,845,890	20,553,007	10,773,404	2,672,945	2,391,628

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	As of December 31,				
	2017	2016	2015	2014	2013
Balance Sheet Data:					
Cash and cash equivalents and restricted cash	$11,039	$15,908	$3,354	$2,873	$3,075
Total current assets	19,498	22,329	8,278	3,207	66,350
Vessels, net	254,730	232,109	199,840	-	-
Total assets	275,705	257,534	209,352	3,268	66,350
Total current liabilities	34,460	21,230	9,250	592	157,045
Long-term debt, net of current portion and deferred finance costs	175,805	198,497	176,787	-	-
Due to related parties, noncurrent	17,342	5,878	-	-	-
Long-term portion of convertible promissory notes	6,785	1,097	31	-	-
Total Stockholders' equity / (deficit)	$41,313	$30,832	$23,284	$2,676	$(90,695)

	Year Ended December 31,				
	2017	2016	2015	2014	2013
Cash Flow Data:					
Net cash provided by / (used in) operating activities	$2,782	$ (15,339)	$ (4,737)	$ (14,858)	$1,030
Net cash (used in) / provided by investing activities	(32,992)	(40,779)	(201,684)	105,895	993
Net cash provided by / (used in) financing activities	25,341	68,672	206,902	(91,239)	(5,246)
Net increase / (decrease) in cash and cash equivalents and restricted cash	(4,869)	12,554	481	(202)	(3,223)

Based on our unaudited interim consolidated financial statements:

	Six-months period ended June 30,	
(Amounts in thousands of U.S. dollars, except for share and per share data.)	2018	2017
Statement of Income Data:		
Vessel revenue, net	38,142	31,694
Voyage expenses	(17,732)	(16,629)
Vessel operating expenses	(10,310)	(8,796)
Management fees	(528)	(488)
General and administration expenses	(3,003)	(2,269)
Amortization of deferred dry-docking costs	(401)	(430)
Depreciation	(5,499)	(4,952)
Operating income / (loss)	669	(1,870)
Other expenses, net:		
Interest and finance costs	(8,688)	(5,801)
Interest and finance costs - related party	(4,241)	(1,900)
Other, net	(60)	(19)
Total other expenses, net	(12,989)	(7,720)
Net loss before income taxes	(12,320)	(9,590)
Income taxes	11	-
Net loss	(12,309)	(9,590)
Net loss per common share		
Basic	(0.33)	(0.27)
Weighted average common shares outstanding		

Basic	36,949,832	35,217,339

	Six-months period ended June 30, 2018	2017
Fleet Data:		
Ownership days(1)	1,991	1,840
Available days(2)	1,991	1,827
Operating days(3)	1,987	1,825
Fleet utilization(4)	99.8 %	99.2 %
Average Daily Results:		
TCE rate(5)	$10,272	$8,255
Daily vessel operating expenses(6)	$5,178	$4,605

(1) 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 a period.

(2) Available days are the number of ownership days less the aggregate number of days that our vessels are off-hire due to major repairs, drydockings, 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 should be capable of generating revenues. During the six months ended June 30, 2018, we incurred zero off-hire days for vessel surveys. During the six months ended June 30, 2017, we incurred 13 off-hire days for one vessel survey.

(3) 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. Operating days include the days that our vessels are in ballast voyages without having fixed their next employment. The shipping industry uses operating days to measure the aggregate number of days in a period during which the vessels could actually generate revenues. During the six months ended June 30, 2018, we incurred four off-hire days due to other unforeseen circumstances. During the six months ended June 30, 2017, we incurred two off-hire days due to other unforeseen circumstances.

(4) 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.

(5) Time Charter Equivalent (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. We include the TCE rate, a non-GAAP measure, as we believe it provides additional meaningful information in conjunction with net revenues from vessels, the most directly comparable U.S. GAAP measure, and 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 the Company's net revenues from vessels to the TCE rate.

(In thousands of US Dollars, except operating days and TCE rate)	Six months ended June 30, 2018	2017
Net revenues from vessels	$38,142	$31,694
Voyage expenses	(17,732)	(16,629)
Net operating revenues	20,410	15,065
Operating days	1,987	1,825
Daily time charter equivalent rate	$10,272	$8,255

(6) Vessel operating expenses include crew costs, provisions, deck and engine stores, lubricants, insurance, maintenance and repairs. Daily Vessel Operating Expenses are calculated by dividing vessel operating expenses by ownership days for the relevant time periods. 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)	Six months ended June 30, 2018	2017
Vessel operating expenses	$10,310	$8,796
Less: Pre-delivery expenses	-	322
Vessel operating expenses before pre-delivery expenses	10,310	8,474
Ownership days	1,991	1,840
Daily vessel operating expenses	$5,178	$4,605

	Six months ended June 30, 2018	2017
EBITDA reconciliation:		
Net loss	$(12,309)	$(9,590)
Add: Net interest expense	12,929	7,693
Add: Depreciation and amortization	5,900	5,382
Add: Taxes	(11)	-
EBITDA(1)	$6,509	$3,485

(1) Earnings before interest, taxes, depreciation and amortization ("EBITDA") represents the sum of net income/(loss), interest and finance costs, interest income, depreciation and amortization and, if any, income taxes during a period. EBITDA is not a recognized measurement under U.S. GAAP. EBITDA is presented as we believe that this measure is useful to investors as a widely-used means of evaluating operating profitability. EBITDA as presented here may not be comparable to similarly-titled measures presented by other companies. This non-GAAP measure should not be considered in isolation from, as a substitute for, or superior to, financial measures prepared in accordance with U.S. GAAP.

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	As of June 30, 2018
Balance Sheet Data:	
Cash and cash equivalents and restricted cash	$12,998
Total current assets	22,251
Vessels, net	249,344
Total assets	275,292
Total current liabilities	48,705
Long-term debt, and other financial liabilities, net of current portion and deferred finance costs	177,244
Due to related parties, non-current	11,450
Long-term portion of convertible promissory notes	8,669
Lease liability, non-current	590
Total Stockholders' equity	28,634

	Six months ended June 30,	
	2018	2017
Cash Flow Data:		
Net cash used in operating activities	(1,579)	(4,747)
Net cash used in investing activities	(617)	(32,729)
Net cash provided by financing activities	4,155	30,765
Net increase / (decrease) in cash and cash equivalents and restricted cash	1,959	(6,711)

RISK FACTORS

An investment in our securities involves a high degree of risk. Before deciding to invest in our securities, you should carefully consider the risks described below. These risks and uncertainties are not the only risks and uncertainties that we face. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also impair our business operations. If any of these risks actually occurs, our business, financial condition and results of operations could be materially adversely affected. In that case, you may lose all or part of your investment in the securities.

Risks Relating to Our Industry

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 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, and could result in the loss of our vessels and adversely affect our earnings and financial condition.

The fair market value of our vessels may increase or decrease, and we expect the market values to fluctuate depending on a number of factors including:

- prevailing level of charter rates;
- general economic and market conditions affecting the shipping industry;
- types and sizes of vessels;
- supply and demand for vessels;
- other modes of transportation;
- cost of newbuildings;
- governmental and other regulations; and
- technological advances.

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 our lenders could accelerate our indebtedness or require us to pay down our indebtedness to a level where we are again in compliance with our loan covenants. If any of our loans 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 in connection with our future acquisitions of vessels. For more information regarding our current loan facilities, please see "Prospectus Summary—Recent Developments" herein and "Management's Discussion and Analysis of Financial Condition and Results of Operations–Description of Indebtedness" in our unaudited interim consolidated financial statements for the six months ended June 30, 2018 in our Report on Form 6-K filed with the Commission on August 10, 2018, which is incorporated by reference herein.

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 vessels at a time when vessel prices have fallen and before we have recorded an impairment adjustment to our financial statements, the sale may be at less than the vessel's carrying amount in our financial statements, resulting in a loss and a reduction in earnings.

Charter hire rates for drybulk vessels are highly volatile and remain significantly below the highs of 2008, which had and may continue to have an adverse effect on our revenues, earnings and profitability.

The dramatic downturn in the drybulk charter market, from which we derive substantially all of our revenues, has severely affected the drybulk shipping industry and has harmed our business. The Baltic Dry Index, or BDI, declined from a high of 11,793 on May 20, 2008 to a low of 290 on February 10, 2016, which represents a decline of 98%. In 2017, the BDI ranged from a low of 685 on February 14, 2017, to a high of 1,588 on October 24, 2017, and to date in 2018, has ranged from a low of 948 on April 6, 2018 to a high of 1,774 on July 24, 2018. The decline and volatility in charter rates has been due to various factors, including the over-supply of drybulk 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 disasters. Drybulk charter rates are at depressed levels and may decline further. These circumstances have had a number of adverse consequences from time to time for drybulk 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 drybulk 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 drybulk 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 drybulk market continue or 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. In such a situation, unless our lenders were 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 are dependent on spot charters and any decrease in spot charter rates in the future may adversely affect our earnings.

We currently operate the majority of our vessels in the spot market, exposing us to fluctuations in spot market charter rates. Further, we may employ any additional vessels that we may acquire in the spot market.

Although the number of vessels in our fleet that participate in the spot market will vary from time to time, we anticipate that a significant portion of our fleet will participate in this market. As a result, our financial performance will be significantly affected by conditions in the drybulk spot market and only our vessels that operate under fixed-rate time charters may, during the period such vessels operate under such time charters, provide a fixed source of revenue to us.

Historically, the drybulk markets have been volatile as a result of the many conditions and factors that can affect the price, supply of and demand for drybulk capacity. The weak global economic trends may further reduce demand for transportation of drybulk cargoes over longer distances, which may materially affect our revenues, profitability and cash flows. The spot charter market may fluctuate significantly based upon supply of and demand for vessels and cargoes. The successful operation of our vessels in the competitive spot charter market depends upon, among other things, obtaining profitable spot charters 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 decline, then we may be unable to operate our vessels trading in the spot market profitably or to meet our obligations, including payments on indebtedness. Furthermore, as charter rates for spot charters are 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.

An over-supply of drybulk tonnage capacity may depress drybulk charter rates and vessel values or lead to reductions in charter rates, vessel values and profitability.

The market supply of drybulk vessels is affected by a number of factors such as demand for energy resources, raw materials, and commodities, as well as strong overall economic growth in parts of the world economy including Asia. If the capacity of new ships delivered exceeds the capacity of drybulk vessels being sold for demolition and withdrawn from the market, drybulk tonnage capacity will increase. In addition, the overall drybulk newbuilding orderbook, which extends to 2020, equaled to approximately 12.7% of the existing world drybulk fleet as of the middle of October 2018, according to Karatzas Marine Advisors & Co., and the orderbook may increase further in proportion to the existing fleet. If the supply of drybulk tonnage capacity increases and if the demand for drybulk tonnage capacity does not increase correspondingly, charter rates could remain at relatively low rates or even decline. A reduction in charter rates and the value of our vessels may have a material adverse effect on our results of operations and available cash.

If economic conditions throughout the world decline, it will impede 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 new challenges, including recent turmoil and hostilities in the Middle East, North Africa and other geographic areas and countries. These may eventually cause a decrease in worldwide demand for certain goods and, thus, shipping. We cannot predict how long the current market conditions will last.

The EU and other parts of the world have recently been or are currently in a recession and continue to exhibit weak economic trends. Moreover, there is uncertainty related to certain countries' ability to refinance their sovereign debt, such as Greece, Spain, Portugal, and Italy. As a result, the credit markets in the United States and Europe have experienced significant contraction, deleveraging and reduced liquidity, and the U.S. federal and state governments and European authorities have implemented a broad variety of governmental action and new regulation of the financial markets and may implement additional regulations in the future. As a result, global economic conditions and global financial markets have been, and continue to be, volatile. Further, credit markets and the debt and equity capital markets have been distressed and the uncertainty surrounding the future of the global credit markets has resulted in reduced access to credit worldwide.

In addition, 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. The quarterly year-over-year growth rate of China's GDP was approximately 6.9% for the year ended December 31, 2017, and despite slightly increasing from approximately 6.7% for the year ended December 31, 2016, continues to remain below pre-2008 levels. It is possible that China and other countries in the Asia Pacific region will continue to experience slowed or even negative economic growth in the near future. Moreover, the current economic slowdown in the economies of the EU and in certain Asian countries may further adversely affect economic growth in China and elsewhere. Our results of operations and ability to grow our fleet could be impeded by a continuing or worsening economic downturn in any of these countries or geographic regions.

Further, 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 is seeking to implement more protective trade measures. The new U.S. president was elected on a platform promoting trade protectionism. The results of the 2016 presidential election has thus created significant uncertainty about the future relationship between the United States and China and other exporting countries, including with respect to trade policies, treaties, government regulations and tariffs. On January 23, 2017, the U.S. President signed an executive order withdrawing the United States from the Trans-Pacific Partnership, a global trade agreement intended to include the United States, Canada, Mexico, Peru and a number of Asian countries. Protectionist developments, or the perception 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 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.

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 stock. In the absence of available financing, we also may be unable to complete vessel acquisitions, take advantage of business opportunities or respond to competitive pressures.

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;
- marine disaster;
- piracy;
- 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.

Rising fuel prices may adversely affect our profits.

The cost of fuel is a significant factor in negotiating charter rates. As a result, an increase in the price of fuel may adversely affect our profitability. 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. Further, fuel may become much more expensive in the future, which may reduce the profitability and competitiveness of our business versus other forms of transportation, such as truck or rail.

Upon redelivery of vessels at the end of a period time or voyage time charter, we may be obligated to repurchase bunkers on board at prevailing market prices, which could be materially higher than fuel prices at the inception of the charter period. In addition, fuel is a significant, if not the largest, expense that we would incur with respect to vessels operating on voyage charter.

The majority of our vessels are chartered on the spot charter market, either through trip charter contracts or voyage charter contracts. 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 do not intend to hedge our fuel costs, thus an increase in the price of fuel may affect in a negative way our profitability and our cash flows.

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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 drybulk 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 schedule and supplies of certain commodities. As a result, our revenues may be weaker during the fiscal quarters ending June 30 and September 30, and, conversely, our revenues may be stronger in fiscal quarters ending December 31 and March 31. This seasonality should not affect our operating results if our vessels are employed on period time charters, but since the majority of our vessels are employed in the spot market, seasonality may materially affect our operating results.

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

During the year ended December 31, 2017, none of our vessels called on ports located in countries subject to sanctions and embargoes imposed by the U.S. government and other authorities or countries or regions identified by the U.S. government or other authorities as state sponsors of terrorism, such as North Korea, Iran, Syria, Cuba and Crimea; however our vessels may call on ports in these countries or regions from time to time in the future on our charterers' instructions. 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 frequent basis.

All or most of our future charters shall 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 ever entered into or have any future plans to enter into, directly or indirectly, any contracts, agreements or other arrangements with the governments of North Korea, Iran, Syria, Cuba or Crimea or any entities controlled by the governments of these countries or regions, including any entities organized in these countries or regions.

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 not to invest, 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 stock may adversely affect the price at which our common stock trades. 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. Investor perception of the value of our common stock may be adversely affected by the consequences of war, the effects of terrorism, civil unrest and governmental actions in these and surrounding countries.

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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 International Maritime Organization, or 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 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.

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 drybulk 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 effect on our business, revenues and customer relations.

Acts of piracy on ocean-going vessels have recently 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, and increasingly in the Gulf of Guinea and Strait of Malacca, with drybulk vessels particularly vulnerable to such attacks. If piracy attacks result in regions in which our vessels are deployed being characterized as "war risk" zones by insurers, as the Gulf of Aden temporarily was in May 2008, or Joint War Committee "war and strikes" listed areas, premiums payable for such 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 charter party, 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 drybulk vessels has particular operational risks.

The operation of drybulk vessels has certain unique risks. With a drybulk vessel, the cargo itself and its interaction with the vessel can be an operational risk. By their nature, drybulk cargoes are often heavy, dense, easily shifted, and react badly to water exposure. In addition, drybulk 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 drybulk vessels may lead to the flooding of the vessels' holds. If a drybulk 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 International Convention for the Safety of Life at Sea.

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 our loan covenants, 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 of the seafarers employed on the vessels in our fleet are covered by industry-wide collective bargaining agreements that set basic standards. 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 arresting 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.

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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.

The shipping industry has inherent operational risks that may not be adequately covered by our insurance. Further, because we obtain some of our insurance through protection and indemnity associations, we may also be 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 insurance includes hull and machinery insurance, war risks insurance, freight, demurrage and defense insurance and protection and indemnity insurance (which includes environmental damage and pollution insurance). We do not expect to maintain for all of our vessels insurance against loss of hire, which covers business interruptions that result from the loss of use of a vessel. 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. We may also be 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. 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 insurance is 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 may also be 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. Our payment of these calls could result in significant expenses to us.

Risks Relating to Our Company

We are a recently restructured company with a limited history of recent operations on which investors may assess our performance.

In March 2014, we completed a financial restructuring, following which we did not own any vessels. During 2015 we acquired eight vessels and during November 2016, December 2016 and May 2017, we acquired the remaining vessels in our current fleet. As a result, we have a limited operating history since our financial restructuring, and therefore limited historical financial results upon which you can evaluate our restructured operations. We cannot assure you that we will be successful in operating our fleet in the future.

We have depended on an entity affiliated with our principal shareholder for financing.

We have relied on Jelco for funding during 2015, 2016, 2017 and 2018 for vessel acquisitions and general corporate purposes. We cannot assure you that in the future we will be able to rely on Jelco for financing on similar terms or at all. Any inability to secure financing in the future from Jelco could negatively affect our liquidity position and ability to fund our ongoing operations.

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

We acquired three vessels between November 2016 and May 2017 and in September 2018 we entered into an agreement to acquire a further dry bulk vessel. We may acquire additional vessels in the future and 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;

- raise equity and obtain required financing for our existing and new 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;

- expand our customer base; and

- manage our expansion.

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 ten 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 more costly to maintain and will not be as advanced as recently constructed vessels due to improvements in design, technology and engineering. Rates for cargo insurance, paid by charterers, also increase with the age of a vessel, making older vessels less desirable to charterers.

Rightship, the ship vetting service founded by Rio Tinto and BHP-Billiton, has become a major vetting service in the drybulk shipping industry, which ranks the suitability of vessels based on a scale of one to five stars. Eight and two of the vessels in our fleet have five and three star risk ratings from Rightship, respectively. There are carriers that may not charter a vessel that Rightship has vetted with fewer than three stars. Therefore, a potentially deteriorated star rating system for our vessels may affect their commercial operation and profitability and vessels in our fleet with lower ratings may experience challenges in securing charters.

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.

Newbuilding projects 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 acquire additional vessels, and if those vessels are not delivered on time or are delivered with significant defects, our earnings and financial condition could suffer.

We have agreed to acquire an additional drybulk vessel and we may acquire further vessels in the future. The delivery of these vessels could be delayed or certain events may arise which could result in us not taking delivery of a vessel, such as a total loss of a vessel, a constructive loss of a vessel, or substantial damage to a vessel prior to delivery. 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 June 30, 2018, we had $220 million of outstanding bank debt and financial liabilities, excluding unamortized financing fees and the convertible promissory notes issued to Jelco. Moreover, we anticipate that we will incur significant 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 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;

- 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 than our competitors with less debt to competitive pressures or a downturn in our business or the economy generally; 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 bank debt and financial liabilities 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 bank debt and financial liabilities or obtain additional financing on favorable terms in the future. For more information regarding our current loan facilities, please see "Prospectus Summary – Recent Developments" herein and "Management's Discussion and Analysis of Financial Condition and Results of Operations – Description of Indebtedness" in our unaudited interim consolidated financial statements for the six months ended June 30, 2018 in our Report on Form 6-K filed with the Commission on August 10, 2018, which is incorporated by reference herein.

If LIBOR is volatile, it could affect our profitability, earnings and cash flow.

LIBOR has been volatile in the past, with the spread between LIBOR and the prime lending rate widening significantly at times. Because the interest rates borne by most of our outstanding indebtedness fluctuates with changes in LIBOR, significant changes in LIBOR would have a material effect on the amount of interest payable on our bank debt and financial liabilities , which in turn, could have an adverse effect on our financial condition.

Furthermore, historically interest in most loan agreements in our industry has been based on published LIBOR rates. Recently, however, lenders have insisted on provisions that entitle the lenders, in their discretion, to replace published LIBOR as the base for the interest calculation with their cost-of-funds rate. Due to current market practices, we have agreed to such a provision and may be required to do so in future loan agreements. In case our lenders elect to replace LIBOR with their higher cost of funds rate, our lending costs could increase significantly, which would have an adverse effect on our profitability, earnings and cash flow.

Our loan agreements contain, and we expect that other future loan agreements 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, a default by us under one loan could lead to defaults under multiple loans.

Our loan agreements contain, and we expect that other future loan agreements 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 drybulk 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.

As of the date of this prospectus we comply with all applicable financial covenants under our loan facilities. For more information regarding our current loan facilities, please see "Management's Discussion and Analysis of Financial Condition and Results of Operations - Description of Indebtedness" in our unaudited interim consolidated financial statements for the six months ended June 30, 2018 in our Report on Form 6-K filed with the Commission on August 10, 2018, which is incorporated by reference herein. However, there can be no assurance that we will obtain similar waivers and deferrals from our lenders in the future if needed.

Because of the presence of cross-default provisions in our loan agreements, a default by us under a loan and the refusal of any one lender to grant or extend a waiver could result in the acceleration of our indebtedness under our other loans. 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.

The failure of our 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 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 drybulk 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 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.

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 administrative 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. Economic conditions in Greece have been, and continue to be, severely disrupted and volatile, and as a result of sovereign weakness, Moody's Investor Services Inc. has downgraded the bank financial strength ratings, as well as the deposit and debt ratings, of several Greek banks to reflect their weakening stand-alone financial strength and the anticipated additional pressures stemming from the country's challenged economic prospects.

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, Hong Kong, Liberia, Malta and the Republic of the Marshall Islands, where our vessel-owning 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 have substantially greater resources than we do. Competition for the transportation of drybulk 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 drybulk 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 limited fleet diversification, adverse developments in the maritime drybulk shipping industry would adversely affect our business, financial condition, and operating results.

We depend primarily on the transportation of drybulk commodities. Our relative lack of diversification could make us vulnerable to adverse developments in the maritime drybulk shipping industry, 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.

Because we obtain some of our insurance through protection and indemnity associations, we may also be 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 may be subject to calls, or premiums, in amounts based not only on our claim records but also on the claim records of all other members of the protection and indemnity associations through which we receive insurance coverage for tort liability, including pollution-related liability. Our payment of these calls could result in significant expenses to us, which could have a material adverse effect on our business, results of operations and financial condition and our ability to pay dividends in the future.

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 known to have 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 our commercial and technical managers to operate our business and our business could be harmed if our managers fail to perform their services satisfactorily.

Pursuant to our management agreements, V.Ships provides us with technical, general administrative and support services (including vessel maintenance, crewing, purchasing, shipyard supervision, assistance with regulatory compliance, accounting related to vessels and provisions). Fidelity provides us with commercial management services for our vessels and Seanergy Management Corp., or Seanergy Management, our wholly owned subsidiary, provides us with certain other management services. Our operational success depends significantly upon V.Ships', Fidelity's and Seanergy Management's satisfactory performance of these services. Our business would be harmed if V.Ships, Fidelity or Seanergy Management failed to perform these services satisfactorily. In addition, if our management agreements with either V.Ships, Fidelity or Seanergy Management 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 management agreements..

Our ability to compete for and enter into new period time and spot charters and to expand our relationships with our existing charterers will depend largely on our relationship with our commercial manager, Fidelity, and its reputation and relationships in the shipping industry. If Fidelity suffers material damage to its reputation or relationships, it may harm our ability to:

· renew existing charters upon their expiration;

· obtain new charters;

· obtain financing on commercially acceptable terms;

· maintain satisfactory relationships with our charterers and suppliers; and

· successfully execute our business strategies.

If our ability to do any of the things described above is impaired, it could have a material adverse effect on our business, financial condition and results of operations.

Our managers are each privately held companies and there is little or no publicly available information about them.

The ability of V.Ships and Fidelity to render management services will depend in part on their own financial strength. Circumstances beyond our control could impair their financial strength, and because each is a privately held company, information about their financial strength is not available. As a result, 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.

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

Pursuant to our technical management agreements with V.Ships, we paid a monthly fee of $8,000 per vessel in 2017 and we pay a monthly fee of $8,000 per vessel starting January 1, 2018 in exchange for V.Ships providing 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 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 technical 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.

The majority of the members of our shipping committee are appointees nominated by Jelco, which could create conflicts of interest detrimental to us.

Our board of directors has created a shipping committee, which has been delegated exclusive authority to consider and vote upon all matters involving shipping and vessel finance, subject to certain limitations. Jelco has the right to appoint two of the three members of the shipping committee and as a result effectively controls all decisions with respect to our shipping operations that do not involve a transaction with our Sponsor. Mr. Stamatios Tsantanis, Ms. Christina Anagnostara and Mr. Elias Culucundis currently serve on our shipping committee.

We may be classified as a passive foreign investment company, or PFIC, 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, and 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 any 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 asset. There is substantial legal authority supporting this position consisting of 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 "Tax Considerations – U.S. Federal Income Tax Consequences – U.S. 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, ("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 do not expect to qualify for exemption from the 4% tax under Section 883 for our 2018 taxable year as we did not satisfy one of the ownership tests described in "Tax Considerations – U.S. Federal Income Tax Consequences – U.S. Federal Income Taxation of U.S. Holders - Passive Foreign Investment Company Rules" for such taxable year. The ownership tests require us, inter alia, to establish or substantiate sufficient ownership of our common shares by one or more "qualified" shareholders. For our 2017 taxable year, we had U.S. source gross shipping income, on which we were subject to a U.S federal tax of $42,369. Some of our charterparties contain clauses that permit us to seek reimbursement from charterers of any U.S. tax paid, and we have sought reimbursement and we have secured payment from all of our charterers for the 2017 taxable year.

We do not expect to satisfy the requirements for exemption from United States federal income taxation under Code Section 883 for the 2018 taxable year, and have made estimated tax payments of $66,160 as of the date hereof. Due to the factual nature of the issues involved, we can give no assurances on the tax-exempt status of ourselves or that of any of our subsidiaries for any subsequent taxable year. If we or our subsidiaries are not entitled to exemption under Section 883 for any such taxable year, we or our subsidiaries could be subject for those years to a 4% U.S. federal income tax on any shipping income such companies derived during the year that is attributable to the transport of cargoes to or from the United States. The imposition of this taxation would have a negative effect on our business and would result in decreased earnings available for distribution to our shareholders.

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. These factors could make our common stock less attractive to some investors or otherwise harm our stock price.

The Public Company Accounting Oversight Board inspection of our independent accounting firm, could lead to findings in our auditors' reports and challenge the accuracy of our published audited consolidated financial statements.

Auditors of U.S. public companies are required by law to undergo periodic Public Company Accounting Oversight Board, or PCAOB, inspections that assess their compliance with U.S. law and professional standards in connection with performance of audits of financial statements filed with the SEC. For several years certain European Union countries, including Greece, did not permit the PCAOB to conduct inspections of accounting firms established and operating in such European Union countries, even if they were part of major international firms. Accordingly, unlike for most U.S. public companies, the PCAOB was prevented from evaluating our auditor's performance of audits and its quality control procedures, and, unlike stockholders of most U.S. public companies, we and our stockholders were deprived of the possible benefits of such inspections. During 2015, Greece agreed to allow the PCAOB to conduct inspections of accounting firms operating in Greece. In the future, such PCAOB inspections could result in findings in our auditors' quality control procedures, question the validity of the auditor's reports on our published consolidated financial statements and the effectiveness of our internal control over financial reporting, and cast doubt upon the accuracy of our published audited financial statements.

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.

Some of our vessels may be chartered to Chinese customers and from time to time on our charterers' instructions, our vessels 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 charges in their implementation by local authorities could affect our vessels if chartered to Chinese customers as well as our vessels 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. GDPR became enforceable on May 25, 2018 and non-compliance 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. 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 our information technology systems could have a material adverse effect on our business and results of operations.

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Risks Relating to Our Common Shares and to the Offering

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 for you 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.

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.

The stock markets in general, and the markets for drybulk 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 for you to resell our common shares. Our common shares now trade on the Nasdaq Capital Market. We cannot assure you that an active and liquid public market for our common shares will continue.

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.

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 be unable to pay dividends in the anticipated amounts or at all.

Anti-takeover provisions in our amended and restated articles of incorporation and by-laws could make it difficult for 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 stock.

Several provisions of our amended and restated articles of incorporation and by-laws could make it difficult for 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 shareholders may consider favorable.

These provisions:

- authorize our board of directors to issue "blank check" preferred stock without shareholder approval;
- provide for a classified board of directors with staggered, three-year terms;
- require a super-majority vote in order to amend the provisions regarding our classified board of directors with staggered, three-year terms;
- permit the removal of any director from office at any time, with or without cause, at the request of the shareholder group entitled to designate such director; and
- prevent our board of directors from dissolving the shipping committee or altering the duties or composition of the shipping committee without an affirmative vote of not less than 80% of the board of directors.

These anti-takeover provisions could substantially impede the ability of shareholders to benefit from 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 stock may adversely affect the voting power of our 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 amended and restated articles of incorporation 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. 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 your ability to realize any potential change of control premium.

Jelco and Comet Shipholding Inc., are able to control the outcome of all matters requiring a shareholder vote, and their interests could conflict with the interests of our other shareholders.

Based on documents publicly filed with the Commission, Jelco and Comet Shipholding Inc., or Comet, both companies affiliated with our Sponsor, currently collectively own approximately 16,763,774, or approximately 43.9%, of our outstanding common shares. Jelco may also acquire up to 43,016,668 additional common shares upon conversion of the convertible promissory notes issued to it by the Company, in which case our Sponsor would own approximately 73.6% of our outstanding common shares, based on our current number of common shares outstanding. As a result, they may be able to control the outcome of all matters requiring a shareholder vote. This concentration of ownership may delay, deter or prevent acts that would be favored by our other shareholders or deprive shareholders of an opportunity to receive a premium for their shares as part of a sale of our business, and it is possible that the interests of our Sponsor may in some cases conflict with our interests and the interests of our other holders of shares. For example, conflicts of interest may arise between us, on one hand, and our Sponsor or affiliated entities, on the other hand, which may result in the transactions on terms not determined by market forces. Any such conflicts of interest could adversely affect our business, financial condition and results of operations, and the trading price of our common shares. In addition, this concentration of share ownership may adversely affect the trading price of our shares because investors may perceive disadvantages in owning shares in a company with controlling shareholders.

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 stock.

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 on our common shares 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, we may issue additional common shares upon any conversion of our outstanding convertible promissory notes issued to Jelco. As of November 6, 2018, Jelco had the right to acquire 4,222,223 common shares upon exercise of a conversion option pursuant to the convertible promissory note dated March 12, 2015, as amended issued by the Company to Jelco, 23,516,667 common shares upon exercise of a conversion option pursuant to the revolving convertible promissory note dated September 7, 2015, as amended, issued by the Company to Jelco and 15,277,778 common shares upon exercise of a conversion option pursuant to the convertible promissory note dated September 27, 2017, issued by the Company to Jelco. Under each of the convertible promissory notes, Jelco may, at its option, convert the principal amount under the note at any time into common shares at a conversion price of $0.90 per share. Our issuance of additional common shares in such instance would cause the proportionate ownership interest in us of our existing shareholders, other than Jelco, to decrease; the relative voting strength of each previously outstanding common share held by our existing shareholders, other than the converting noteholder, to decrease; and the market price of our common shares could decline. In addition, the conversion price may be reduced leading to the issuance of additional common shares.

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 amended and restated articles of incorporation, our amended and restated by-laws 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.

USE OF PROCEEDS

We estimate that we will receive net proceeds of approximately $ million, and approximately $ million if the underwriters exercise their option to purchase additional shares in full, after deducting underwriting discounts and commissions and estimated expenses payable by us.

We intend to use all of the net proceeds of this offering for general corporate purposes which may include, among other things, prepaying debt or partially funding the acquisition of modern Capesize drybulk vessels in accordance with our growth strategy. However, we do not currently have definitive plans for any debt prepayments nor have we identified any potential acquisitions, and we can provide no assurance that we will be able to complete any debt prepayment or the acquisition of any vessel that we are able to identify.

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 have not declared any dividends since our inception. 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. Please see "Management's Discussion and Analysis of Financial Condition and Results of Operations–Description of Indebtedness." and in our unaudited interim consolidated financial statements for the six months ended June 30, 2018 in our Report on Form 6-K, filed with the Commission on August 10, 2018, which is incorporated by reference herein.

PRICE RANGE OF OUR COMMON SHARES

Our common shares are traded on the Nasdaq Capital Market, under the symbol "SHIP". The following table sets forth the high and low closing prices for each of the periods indicated for our common shares as adjusted for the one-for-fifteen reverse stock split effective June 24, 2011 and the one-for-five reverse stock split effective January 8, 2016:

For the Year ended December 31:	High	Low
2017	$1.43	$0.61
2016	7.20	1.15
2015	6.75	2.75
2014	9.95	4.13
2013	12.30	4.00
For the Quarter Ended:		
September 30, 2018	$1.00	$0.86
June 30, 2018	0.94	0.72
March 31, 2018	1.15	0.87
December 31, 2017	1.43	0.93
September 30, 2017	1.23	0.71
June 30, 2017	1.20	0.61
March 31, 2017	1.25	0.76
December 31, 2016	7.20	1.15
September 30, 2016	6.20	2.06
June 30, 2016	3.01	2.10
March 31, 2016	5.54	1.58
For the Month:		
November 2018 (up to November 6, 2018)	$0.92	$0.89
October 2018	0.97	0.85
September 2018	0.92	0.86
August 2018	1.00	0.91
July 2018	0.94	0.87
June 2018	0.90	0.83
May 2018	0.94	0.83

CAPITALIZATION

The following table sets forth our capitalization as of June 30, 2018:

- on an actual basis;
- on an as adjusted basis, to give effect to (a) a mandatory repayment of $3 million on July 2, 2018 under our HSH Nordbank AG loan facility, (b) an installment repayment of $0.8 million on August 13, 2018 under our November 2015 Alpha Bank A.E. loan facility, (c) an installment repayment of $0.4 million on August 27, 2018 under our Amsterdam Trade Bank N.V. loan facility, (d) an installment repayment of $0.2 million on September 13, 2018 under our EntrustPermal loan facility, (e) an installment repayment of $0.3 million on September 17, 2018 under our March 2015 Alpha Bank A.E. loan facility, (f) an installment repayment of $1.05 million on September 28, 2018 under our HSH Nordbank AG loan facility, (g) a payment of $0.5 million on September 28, 2018 under our Hanchen Limited bareboat charter agreement, and (h) an installment repayment of $1.6 million on October 11, 2018 under our UniCredit Bank AG loan facility; and
- on an as further adjusted basis to give effect to the sale of common shares in this offering.

There have been no significant adjustments to our capitalization since June 30, 2018, other than the adjustments described above. The historical data in the table is derived from, and should be read in conjunction with, our historical financial statements included in this prospectus. You should also read this table in conjunction with the information in the section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations–Description of Indebtedness." in our unaudited interim consolidated financial statements for the six months ended June 30, 2018 in our Report on Form 6-K filed with the Commission on August 10, 2018, which is incorporated by reference herein.

(All figures in thousands of U.S. dollars, except for share amounts)	Actual (unaudited)	As Adjusted (unaudited)	As Further Adjusted (unaudited)
Debt:			
Secured long-term debt, other financial liabilities and due to related parties, net of deferred finance costs	$ 218,369	$ 210,618	$ 210,618
Unsecured convertible promissory notes	8,869	8,869	8,869
Total Debt	$ 227,238	$ 219,487	$ 219,487
Stockholders' equity:			
Preferred stock, $0.0001 par value; 25,000,000 shares authorized; none issued	-	-	-
Common stock, $0.0001 par value; 500,000,000 authorized shares as at June 30, 2018; 38,219,014 shares issued and outstanding as at June 30, 2018 (1)	3	3	
Additional paid-in capital (excluding shareholder's convertible notes)	$ 348,584	$ 348,584	
Shareholder's convertible notes	35,354	35,354	35,354
Accumulated deficit	(355,307)	(355,307)	(355,307)
Total Stockholders' equity	28,634	28,634	
Total capitalization			