Seanergy Maritime Holdings Corp.
Form 424B1
December 12, 2016
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Filed Pursuant to Rule 424(b)(1)
Registration No. 333-214322

PROSPECTUS

10,000,000 Common Shares and
Class A Warrants to Purchase 10,000,000 Common Shares

Seanergy Maritime Holdings Corp.

We are offering 10,000,000 of our common shares and our Class A Warrants to purchase 10,000,000 of our common shares. One common share is being sold together with one Class A Warrant, with each Class A Warrant being immediately exercisable for one common share at an exercise price of $2.00 per share (or 133% of the price of each common share sold in this offering) and expiring five years after the issuance date.

Our common shares are listed on the Nasdaq Capital Market under the symbol SHIP . On December 2, 2016, the last reported sale price of our common shares was $2.40 per share. We have applied to list the Class A Warrants offered hereby on the Nasdaq Capital Market under the symbol SHIPW .

Investing in our securities involves a high degree of risk. See Risk Factors beginning on page 12 of this prospectus for a discussion of information that should be considered in connection with an investment in our securities.

	Per Common Share and Class A Warrant	Total
Public offering price	$ 1.50	$ 15,000,000
Underwriting discount and commissions[1]	$ 0.12	$ 1,200,000
Proceeds to the Company, before expenses	$ 1.38	$ 13,800,000

[1] We have agreed to issue a warrant, or the Representative's Warrant, to the representative of the underwriters, or the Representative. We have additionally agreed to reimburse the underwriters for expenses incurred by them in an amount not to exceed $100,000. We refer you to Underwriting beginning on page 119 of this prospectus for additional information regarding total compensation and other items of value payable to the underwriters.

We have granted the underwriters an option for a period of up to 45 days to purchase up to 1,500,000 additional common shares and/or 1,500,000 Class A Warrants.

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 and Class A Warrants to purchasers in the offering on or about December 13, 2016.

Maxim Group LLC

The date of this prospectus is December 8, 2016.

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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, pote 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.

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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. All of our directors and officers reside outside the United States. In addition, substantially all of our assets and the assets 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, including our financial statements and the related notes and the information in the section of this prospectus entitled Management s Discussion and Analysis of Financial Condition and Results of Operations. 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, 2015.

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. Unless otherwise specifically stated, the information presented in the prospectus assumes no exercise of the Class A Warrants or Representative s Warrant and that the underwriters have not exercised their option to purchase additional common shares and/or Class A Warrants. 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 included in this prospectus that were prepared in accordance with accounting principles generally accepted in the United States, or U.S. GAAP.

Overview

We are an international shipping company specializing in the worldwide seaborne transportation of drybulk commodities. In August 2012, we began discussions with our former lenders, and in connection with our restructuring we sold all 20 of our former vessels. In March 2014, we completed our restructuring, following which we did not own any vessels. During 2015 we acquired eight modern drybulk vessels. We recently agreed to acquire two additional Capesize drybulk vessels, the first of which, *Lordship*, was delivered on November 30, 2016, and the other, which is to be renamed *Knightship*, is scheduled to be delivered during December 2016. We refer to the nine vessels we presently own as our Current Fleet. We refer to *Lordship* and the vessel to be renamed *Knightship*, collectively, as the Additional Vessels.

In March 2015, we acquired the first vessel in our Current Fleet, a secondhand Capesize drybulk vessel, from an unaffiliated third party for $17.1 million. The acquisition was funded with proceeds from a senior secured loan, an unsecured convertible promissory note issued to an entity affiliated with our principal shareholder, who we refer to as our Sponsor, and the sale of common shares to our Sponsor. Between September and December of 2015 we acquired seven additional secondhand drybulk vessels, consisting of five Capesize and two Supramax vessels, from entities affiliated with our Sponsor for an aggregate purchase price of $183.4 million. These acquisitions were funded with proceeds from senior secured loans, a revolving convertible promissory note issued to an entity affiliated with our Sponsor, and the sale of common shares to our Sponsor. Capesize vessels range in size between 100,000 to 220,000 dwt. Supramax vessels range in size between 40,000 to 65,000 dwt.

On September 26, 2016, we entered into agreements with an unaffiliated third party for the purchase of the Additional Vessels, which are two secondhand Capesize vessels, for an aggregate purchase price of $41.5 million. We paid an initial security deposit in the amount of $4.2 million, which was funded through a loan facility, originally entered into October 4, 2016, with Jelco Delta Holding Corp., or Jelco, which is an entity affiliated with our Sponsor. We refer to this loan facility as it is amended from time to time as the Jelco Loan Facility. *Lordship* was delivered to us on

November 30, 2016, at which time we paid the balance of the purchase price of *Lordship* with proceeds from the Jelco Loan Facility and a secured loan facility with Northern Shipping Fund III LP, or NSF, and cash on hand. The vessel to be renamed *Knightship* is scheduled to be delivered during December 2016, subject to the satisfaction of certain closing conditions. We also expect to fund the balance of the purchase price for this vessel with proceeds from the secured loan facility with NSF.

1

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. We have assembled a management team comprised of executives who have extensive experience operating large and diversified fleets, and who have strong ties to a number of international charterers.

Our Fleet

As of the date of this prospectus, our Current Fleet consists of nine drybulk vessels, of which seven are Capesize vessels and two are Supramax vessels. Our Current Fleet has a combined cargo-carrying capacity of approximately 1,324,391 dwt and an average age of approximately 7.9 years. Additionally, we have agreed to acquire the vessel to be renamed *Knightship*, a Capesize vessel, which is scheduled to be delivered during December 2016. Subject to the successful delivery of the vessel to be renamed *Knightship*, our fleet will have an average age of 7.9 years and a combined cargo-carrying capacity of approximately 1,503,369 dwt.

The following tables list the vessels in our Current Fleet and the vessel to be renamed *Knightship* as of the date of this prospectus:

Current Fleet

Vessel Name	*Year Built*	*Vessel Type*	*Dwt*	*Flag*	*Type of Employment*
Leadership	2001	Capesize	171,199	BA	Spot
Gloriuship	2004	Capesize	171,314	MI	Spot
Geniuship	2010	Capesize	170,057	MI	Spot
Premiership	2010	Capesize	170,024	IoM	Spot
Squireship	2010	Capesize	170,018	LIB	Spot
Championship	2011	Capesize	179,238	LIB	Spot
Lordship	2010	Capesize	178,838	LIB	Time Charter[1]
Gladiatorship	2010	Supramax	56,819	BA	Spot
Guardianship	2011	Supramax	56,884	MI	Spot
Average Age:	7.9 years	Total Dwt:	1,324,391		

Vessel to be Acquired*

Vessel Name	*Year Built*	*Vessel Type*	*Dwt*
Knightship (currently E. R. Bayern)	2010	Capesize	178,978

[1] The vessel is being chartered by Oldendorff Carriers GMBH & CiE under her previous ownership for a period of 11 to 13 months at an index-linked rate plus 6% and is expected to be redelivered to us at the earliest in May 2017 and the latest by July 2017. The time charter was novated to us pursuant to a Novation Agreement, dated October 25, 2016.

* Subject to successful delivery.

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

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:

- *Modern, High Quality Fleet.* Our Current Fleet had an average age of 7.9 years as of the date of this prospectus, compared to world-wide Supramax, Panamax, and Capesize / Newcastlemax drybulk market industry average ages of 8.0, 8.3 and 7.2 years, respectively, as of that date. In addition to their young age, all of our vessels have been and we expect will be built at shipyards that we view as having a longstanding reputation for building high quality, commercially superior vessels that are preferred by charterers and also command higher interest in the secondary market. None of our vessels is associated with green field or inferior quality shipyards, which is the case for a meaningful part of the world fleet, especially for Supramax and Panamax drybulk vessels. We believe that owning a modern, highly commercially competitive and well-maintained fleet provides us with a competitive advantage in securing favorable time and spot charters.

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- *Experienced Management.* Our Company's leadership has considerable depth of shipping industry expertise. Mr. Tsantanis, our Chairman, Chief Executive Officer and interim Chief Financial Officer, brings more than 18 years of experience in shipping and finance and has held senior management positions in prominent shipping companies.
- *Access to Attractive Chartering Opportunities.* Fidelity, our commercial manager, has established strong global relationships with charterers and brokers. We believe Fidelity's relationships with these counterparties should provide us with access to attractive chartering opportunities.

Business Strategy

Our strategy is to manage and expand our fleet in a manner that produces strong cash flows and allows us 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 intend to acquire drybulk carriers with fuel-efficient specifications and carrying capacities of greater than 50,000 dwt through timely and selective acquisitions. We currently view the Capesize and Supramax vessel classes as providing attractive return characteristics given the existing vessel price levels. A key element to our acquisition strategy will be to acquire high-quality vessels at attractive prices. When evaluating acquisitions, we will 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, the cash flow expected to be earned by a vessel in relation to its value, its condition and technical specifications with particular regard to fuel consumption, expected remaining useful life, the credit quality of the charterer and duration and terms of charter contracts for vessels acquired with charters attached, as well as the overall diversification of our fleet and customers. We believe that these circumstances combined with our management's knowledge of the shipping industry present an opportunity for us to grow our fleet at favorable prices.
- *Optimizing Vessel Revenues Primarily Through Spot Market Exposure.* The Baltic Dry Index, or the BDI, a daily average of charter rates for key drybulk routes published by the Baltic Exchange Limited, which has long been viewed as the main benchmark to monitor the movements of the drybulk vessel charter market and the performance of the entire drybulk shipping market, has recently increased 312 percent from the record low level of 290 on February 10, 2016 to 1,196 on December 1, 2016. We intend to employ a chartering strategy to capture upside opportunities in the spot market. We may also use fixed-rate time charters as the charter market improves to reduce downside risks. Because the spot market is volatile, there can be no assurance that the drybulk charter market will increase and the market could decline.
- *Operating a Modern, High-Quality Fleet.* Our Current Fleet had an average age of 7.9 years as of the date of this prospectus, compared to world-wide Supramax, Panamax, and Capesize / Newcastlemax drybulk market industry average ages of 8.0, 8.3 and 7.2 years, respectively, as of that date. We believe that owning a young, well-maintained fleet provides us with a competitive advantage in securing favorable time and spot charters. All of our vessels have been and we expect will be built in shipyards that we view as having a longstanding reputation for building quality vessels. We expect that the combination of these factors will provide us with a competitive advantage in securing favorable employment for our vessels.

Management of Our Fleet

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

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Loan Facilities Update

We currently have six senior secured loan facilities with an aggregate outstanding balance of $185.6 million and one additional facility with Jelco with an outstanding balance of $12.8 million. We currently are not required to make any principal repayments except under our facility with Alpha Bank AE originally entered into in March 2015. This facility currently has an outstanding balance of $7.6 million and amortization payments for this facility commenced on June 17, 2015. We also have a facility in place with HSH Nordbank AG with an outstanding balance of $44.4 million for which we will commence amortization payments on September 30, 2017, a facility with Unicredit Bank AG with an outstanding balance of $52.9 million for which we will commence amortization payments on June 26, 2017, a facility with Natixis with an outstanding balance of $39.4 million for which we will commence amortization payments on June 30, 2017, a facility with Alpha Bank AE originally entered into in November 2015 with an outstanding balance of $33.8 million for which we will commence amortization payments on February 12, 2018, and a facility with NSF with an outstanding balance of $7.5 million for which we will commence amortization payments on March 31, 2019. Additionally, the Jelco Loan Facility has an outstanding balance of $12.8 million and is repayable, subject to certain repayment requirements, in one bullet payment on the maturity date, which is the earlier of (i) February 28, 2018 and (ii) the date falling 14 months from the final drawdown date, but the maturity date may, in certain circumstances, be extended to the earlier of (i) February 28, 2019 and (ii) the date falling 26 months from the final drawdown date. All applicable financial covenants under our loan facilities with our lenders have been either waived or will become effective subsequent to June 30, 2017. 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.

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:

- the low drybulk freight market and limited availability of shipping finance, among other factors, have resulted in low drybulk vessel asset pricing, relative to average prices, over the last five years;
- the recovery of global economic activity and industrial production, which continues to rely heavily on raw materials and commodity consumption;
- the increased aggregate demand for seaborne transport for commodities and raw materials expected over the next decade; despite uninspiring economic growth at present, raw materials remain the primary driver for world economies as coal is expected to remain the main source for generating electricity and lower cost iron ore will be supporting an oversupplied steel industry; expanded mining capacity by the world’s largest mining companies supports these trends;
- 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; and
- charterers’ concerns about environmental and safety standards shifting their preference toward modern vessels that are owned by reputable and financially stable shipowners.

In this Drybulk Shipping Industry Trends section, the details on the industry trends 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 12 of this prospectus. Please read The Drybulk Shipping Industry for more information on the drybulk shipping industry.

Recent Developments

As described above, on September 26, 2016, we entered into agreements with an unaffiliated third party for the purchase of the Additional Vessels, which are two secondhand Capesize vessels, for an aggregate purchase price of $41.5 million. We paid an initial security deposit in the amount of $4.2 million, which was funded through the Jelco Loan Facility. *Lordship* was delivered to us on November 30, 2016, at which time we paid the balance of the purchase price of *Lordship* with $8.2 million from the Jelco Loan Facility and $7.5 million from the secured loan facility with NSF and $3.0 million of cash on hand. The vessel to be renamed *Knightship* is scheduled to be delivered during December 2016, subject to the satisfaction of certain closing conditions. We expect to fund the balance of the purchase price for this vessel with a drawdown from the secured loan facility with NSF.

On October 4, 2016, we entered into the Jelco Loan Facility, initially a $4.2 million loan facility with Jelco, an entity affiliated with our Sponsor, to fund the initial deposit for the Additional Vessels. On November 17, 2016 and November 28, 2016, we entered into amendments to the Jelco Loan Facility, which, among other things, increased the aggregate amount that may be borrowed under the facility to up to $12.8 million and extended the maturity date to the earlier of (i) February 28, 2018 and (ii) the date falling 14 months from the final drawdown date. The maturity date may, in certain circumstances, be extended to the earlier of (i) February 28, 2019 and (ii) the date falling 26 months from the final drawdown date. The Jelco Loan Facility bears interest at LIBOR plus a margin of 9% and is repayable in one bullet payment together with accrued interest thereon on the maturity date. The margin may be decreased by 2% upon a $5 million prepayment by the Company or increased by 1.5% if the maturity date is extended in accordance with the terms of the facility. The Jelco Loan Facility further provides that we are required to prepay Jelco, in certain circumstances, (i) in the event of any public offering by us of Seanergy Maritime Holdings Corp s securities, an amount equal to 25 percent of the net offering proceeds and (ii) $1.9 million upon the delivery of the vessel to be renamed *Knightship*. Seanergy Maritime Holdings Corp. is the borrower under the Jelco Loan Facility. The Jelco Loan Facility is secured by second priority mortgages and general assignments covering earnings, insurances and requisition compensation on the Additional Vessels, and the vessel owning subsidiaries that will acquire the Additional Vessels have provided a guarantee to Jelco for Seanergy Maritime Holdings Corp. s obligations under this facility. On November 28, 2016, we drew down $8.7 million under the Jelco Loan Facility. As of December 2, 2016, $12.8 million was outstanding under the Jelco Loan Facility. 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.

On November 18, 2016, we entered into a securities purchase agreement with unaffiliated third party institutional investors, under which we sold 1,305,000 of our common shares in a registered direct offering at a public offering price of $2.75 per share. The net proceeds from the sale of the common shares, after deducting fees and expenses, were approximately $3.2 million. The offering closed on November 23, 2016.

On November 28, 2016, we entered into a $32 million secured term loan facility with NSF to partly finance the acquisition of the Additional Vessels. The facility bears interest at 11% per annum, which is payable quarterly, and the principal is repayable in four consecutive quarterly instalments of $900,000 each, commencing on March 31, 2019 and a final payment of $28.4 million due on December 31, 2019, which is the initial maturity date assuming that we do not choose to extend the facility for one or two maximum yearly periods. The facility may only be extended twice so that the final maturity date shall never extend beyond the date falling on the fifth anniversary of the final drawdown date. The option to extend the facility for up to two years from the initial maturity date is subject to an extension fee of 1.75% per extended year. The borrowers under the facility are our applicable vessel-owning subsidiaries. The facility is secured by first priority mortgages and general assignment covering earnings, insurances and requisition compensation over the Additional Vessels, account pledge agreements, share pledge agreements of our two vessel-owning subsidiaries, a commercial manager undertaking and a technical manager undertaking. The facility also imposes certain operating and financing covenants. Certain of these covenants may significantly limit or prohibit, among other things, the borrowers ability to incur additional indebtedness, create liens, engage in mergers, or sell vessels without the consent of the relevant lenders. Certain other covenants require ongoing compliance, including requirements that (i) the borrowers maintain restricted deposits of $3 million as prepaid interest to be applied equally against the first eight quarterly interest payments of the facility, the first instalment to commence three months from the second drawdown date (ii) the borrowers maintain an asset coverage ratio with respect to the Additional Vessels equal to at least 112.5% and (iii) the borrowers accumulate in each of their earnings accounts within three months from each advance relevant drawdown date, and maintain throughout the security period, a minimum amount of at least $250,000 per Additional Vessel, or $500,000 in total. The facility also places a restriction on each borrower s ability to distribute dividends to Seanergy Maritime Holdings Corp. or make any other form of distribution or effect any return of share capital if the borrower maintains a balance in its earnings account that when aggregated with a minimum liquidity amount is less than $1.0 million. On November 28, 2016, we drew down $7.5 million under the NSF loan facility. As of December 2, 2016, $7.5 million was outstanding under the facility. 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.

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 16 Grigoriou Lambraki Street, 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.

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THE OFFERING

Common shares presently outstanding

21,999,410 common shares[1]

Securities offered by us

10,000,000 common shares together with Class A warrants to purchase 10,000,000 of our common shares at the exercise price of $2.00 per share (or 133% of the price for each share sold in the offering). The warrants will be immediately exercisable and will expire five years after the issuance date. An aggregate of 11,500,000 common shares together with Class A warrants to purchase 11,500,000 of our common shares are being offered assuming the underwriters exercise their option to purchase additional shares and/or Class A Warrants in full but assuming no exercise of the Class A Warrants or Representative s Warrant.

Common shares to be outstanding immediately after this offering

31,999,410 common shares (33,499,410 common shares, if the underwriters exercise their option to purchase additional shares and/or Class A Warrants in full but assuming no exercise of the Class A Warrants or Representative s Warrant).[1]

Underwriters Option to Purchase Additional Shares and/or Class A Warrants

The Underwriting Agreement provides that we will grant to the underwriters an option, exercisable within 45 days after the closing of this offering, to purchase up to an additional 1,500,000 common shares and/or Class A Warrants to purchase 1,500,000 of our common shares. The option may be exercised in whole or in part, and may be exercised more than once, during the 45 day option period.

Use of proceeds

We estimate that we will receive net proceeds of approximately $13,380,000, and approximately $15,450,000 million if the underwriters exercise their option to purchase additional shares and/or Class A Warrants in full but assuming no exercise of the Class A Warrants or Representative s Warrant, after deducting underwriting discounts and commissions and estimated expenses payable by us.

We intend to use $5.0 million of the net proceeds of this offering to repay a portion of the Jelco Loan Facility and the balance for general corporate purposes, which may include potential vessel acquisitions in accordance with our growth strategy. However, we do not currently have any potential acquisitions identified, other than the vessel to be renamed *Knightship*, and we can provide no assurance that we will be able to identify additional vessels to acquire or that we will be able to complete the acquisition of any vessels that we are able to identify.

We entered into the Jelco Loan Facility with Jelco, an entity affiliated with our Sponsor, to fund the initial $4.2 million deposit for the Additional Vessels. We drew down an additional $8.7 million under the Jelco Loan Facility to fund a portion of the remaining purchase price of *Lordship* and for working capital related to the vessel. The Jelco Loan Facility bears interest at LIBOR plus a margin of 9% and matures on the earlier of (i) February 28, 2018 and (ii) the date falling 14

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months from the final drawdown date, but the maturity date may, in certain circumstances, be extended to the earlier of (i) February 28, 2019 and (ii) the date falling 26 months from the final drawdown date.

Risk factors

Investing in our securities involves a high degree of risk. See Risk Factors below on page 12 and in our Annual Report on Form 20-F for the year ended December 31, 2015, which is incorporated by reference herein, to read about the risks you should consider before investing in our common shares.

Listing

Our common shares are listed on the Nasdaq Capital Market under the symbol SHIP . We have applied to list the Class A warrants offered hereby on the Nasdaq Capital Market under the symbol SHIPW .

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 Representative 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 120 days after the date of the closing of this offering.

(1) Excludes (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, and (ii) 23,516,667 common shares issuable upon exercise of a conversion option pursuant to the convertible promissory note dated September 7, 2015, as amended, that we issued to Jelco. Under each of the convertible promissory notes, Jelco, an entity affiliated with our Sponsor, may, at its option, convert the principal amount under each note at any time into common shares at a conversion price of $0.90 per share. As of December 2, 2016, $3.8 million was outstanding under the convertible promissory note dated March 12, 2015, and $21.2 million was outstanding under the convertible promissory note dated September 7, 2015, as amended.

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SUMMARY HISTORICAL CONSOLIDATED FINANCIAL DATA

The information set forth below should be read in conjunction with Capitalization, Management s Discussion and Analysis of Financial Condition and Results of Operations and our audited and unaudited consolidated financial statements and related notes included elsewhere in this prospectus.

We have derived the following consolidated financial data for the years ended December 31, 2015, 2014 and 2013 and as of December 31, 2015 and 2014 from our audited consolidated financial statements that are included elsewhere in this prospectus. We have derived the following consolidated financial data for the years ended December 31, 2012 and 2011 and as of December 31, 2013, 2012 and 2011 from our audited consolidated financial statements that are not included in this prospectus. We have derived the following consolidated financial data for the nine months ended September 30, 2016 and 2015 and as of September 30, 2016 from our unaudited interim condensed consolidated financial statements that are included elsewhere in this prospectus. Operating results for the nine months ended September 30, 2016 are not necessarily indicative of the results that may be expected for the entire year ending December 31, 2016.

On January 7, 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.

(Amounts in thousands of U.S. dollars, except for share and per share data.)

	Year Ended December 31,				
	2015	**2014**	**2013**	**2012**	**2011**
Statement of Income Data:					
Vessel revenue, net	11,223	2,010	23,079	55,616	104,060
Direct voyage expenses	(7,496)	(1,274)	(8,035)	(13,587)	(2,541)
Vessel operating expenses	(5,639)	(1,006)	(11,086)	(26,983)	(34,727)
Voyage expenses - related party	—	(24)	(313)	(532)	(661)
Management fees - related party	—	(122)	(743)	(1,625)	(2,415)
Management fees	(336)	—	(194)	(588)	(576)
General and administration expenses	(2,804)	(2,987)	(3,966)	(6,337)	(8,070)
General and administration expenses - related party	(70)	(309)	(412)	(402)	(603)
Loss on bad debts	(30)	(38)	—	(327)	—
Amortization of deferred dry-docking costs	(38)	—	(232)	(3,648)	(7,313)
Depreciation	(1,865)	(3)	(982)	(15,606)	(28,856)
Loss on sale of vessels	—	—	—	(15,590)	—
Impairment loss for goodwill	—	—	—	(4,365)	(12,910)

Impairment loss for vessels and deferred charges	—	—	(3,564)	(147,143)	(188,995)
Gain on disposal of subsidiaries	—	—	25,719	—	—
Gain on restructuring	—	85,563	—	—	—
Operating (loss) / income	(7,055)	81,810	19,271	(181,117)	(183,607)
Interest and finance costs	(1,460)	(1,463)	(8,389)	(12,480)	(13,482)
Interest and finance costs - related party	(399)	—	—	—	—
Interest income	—	14	13	59	60
Loss on interest rate swaps	—	—	(8)	(189)	(641)
Foreign currency exchange (losses) gains, net	(42)	(13)	19	(43)	(46)
Total other expenses, net	(1,901)	(1,462)	(8,365)	(12,653)	(14,109)
Net (loss) / income before taxes	(8,956)	80,348	10,906	(193,770)	(197,716)
Income taxes	—	—	1	2	(40)
Net (loss) / income	(8,956)	80,348	10,907	(193,768)	(197,756)
Net (loss) / income per common share					
Basic and diluted	(0.83)	30.06	4.56	(83.69)	(135.18)
Weighted average common shares outstanding					
Basic	10,773,404	2,672,945	2,391,628	2,315,315	1,462,927
Diluted	10,773,404	2,672,950	2,391,885	2,315,315	1,462,927
Dividends declared per share	—	—	—	—	—

	As of December 31,				
	2015	**2014**	**2013**	**2012**	**2011**
Balance Sheet Data:					
Cash and restricted cash	3,354	2,873	3,075	6,298	37,294
Total current assets	8,278	3,207	66,350	52,086	43,432
Vessels, net	199,840	—	—	68,511	381,129
Total assets	209,352	3,268	66,350	120,960	436,476
Total current liabilities, including current portion of long-term debt	9,250	592	157,045	222,577	58,697
Long-term debt, net of current portion	176,787	—	—	—	300,586
Common stock	2	—	—	—	—
Total equity / (deficit)	23,284	2,676	(90,695)	(101,617)	76,923
Shares issued and outstanding	19,522,413	3,977,854	2,391,854	2,391,856	1,463,532

	Year Ended December 31,				
	2015	**2014**	**2013**	**2012**	**2011**
Cash Flow Data:					
Net cash (used in) provided by operating activities	(4,737)	(14,858)	1,030	2,418	26,439
Net cash (used in) provided by investing activities	(201,684)	105,895	993	55,402	—
Net cash provided by (used in) financing activities	206,852	(91,239)	(3,246)	(71,256)	(62,492)

Based on our unaudited interim condensed consolidated financial statements:

(Amounts in thousands of U.S. dollars, except for share and per share data.)

	Nine-month period ended September 30,	
	2016	**2015**
Statement of Income Data:		
Vessel revenue, net	23,791	4,401
Direct voyage expenses	(15,030)	(2,733)
Vessel operating expenses	(10,112)	(1,917)
Management fees	(648)	(107)
General and administration expenses	(2,210)	(1,887)
General and administration expenses - related party	—	(70)
Amortization of deferred dry-docking costs	(360)	—
Depreciation	(6,317)	(342)
Operating loss	(10,886)	(2,655)

Other expenses, net:				
Interest and finance costs	(5,205	)	(280	)
Interest and finance costs - related party	(1,612	)	(146	)
Foreign currency exchange losses, net	(27	)	(24	)
Total other expenses, net	(6,844	)	(450	)
Net loss	(17,730	)	(3,105	)
Net loss per common share				
Basic and diluted	(0.90	)	(0.38	)
Weighted average common shares outstanding				
Basic and diluted	19,594,354		8,130,931	
Dividends declared per share	—		—	

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	As of September 30, 2016
Balance Sheet Data:	
Cash and restricted cash	3,959
Total current assets	9,023
Vessels, net	193,539
Total assets	203,608
Total current liabilities, including current portion of long-term debt	13,830
Long-term debt, net of current portion	170,625
Common stock	2
Total equity	19,153
Shares issued and outstanding	20,694,410

	Nine months ended September 30,	
	2016	**2015**
Cash Flow Data:		
Net cash used in operating activities	(12,295)	(2,845)
Net cash used in investing activities	—	(63,424)
Net cash provided by financing activities	12,900	64,365

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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 pending and future acquisitions of vessels. 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 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 abrupt and 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 in May 2008 to a low of 290 in February 10, 2016, which represents a decline of 98%. In 2015, the BDI ranged from a low of 471 on December 16, 2015 to a high of

1,222 on August 5, 2015, and to date in 2016, has ranged from a low of 290 on February 10, 2016, to a high of 1,257 on November 18, 2016. 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, which result from the economic situation worldwide and the multiple disruptions to the operation of global credit markets, have had a number of adverse consequences 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.

An over-supply of drybulk carrier capacity may prolong or further depress the current low charter rates and, in turn, adversely affect our profitability.

The market supply of drybulk vessels has been increasing due to the high level of new deliveries in the last few years. Drybulk newbuildings were delivered in significant numbers starting at the beginning of 2006 and continued to be delivered in significant numbers through 2016. In addition, the drybulk newbuilding orderbook, which extends to 2018, equaled approximately 12% of the existing world drybulk fleet as of December 2, 2016, according to Karatzas Marine Advisors & Co., and the orderbook may increase further in proportion to the existing fleet. An over-supply of drybulk carrier capacity could prolong the period during which low charter rates prevail.

Factors that influence the supply of vessel capacity include:

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

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

If economic conditions throughout the world do not improve, it will impede our results of operations, financial condition and cash flows, and could cause the market price of our common shares to decline.

Negative trends in the global economy that emerged in 2008 continue to adversely affect global economic conditions. In addition, the world economy continues to face a number of new challenges, including recent turmoil and hostilities in the Middle East, North Africa and other geographic areas and countries and continuing economic weakness in the European Union. The deterioration in the global economy has caused, and may continue to cause, a decrease in worldwide demand for certain goods and, thus, shipping. We cannot predict how long the current market conditions will last.

The European Union 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, Ireland, 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, continued 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 decreased to approximately 6.8% for the year ended December 31, 2015, as compared to approximately 7.2% for the year ended December 31, 2014, and 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 European Union 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.

We face risks attendant to the trends in the global economy, changes in interest rates, and instability in the banking and securities markets around the world, 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 the concurrent decline in charter rates and vessel values, may have a material adverse effect on our results of operations, financial condition or cash flows, our ability to finance our pending vessel acquisitions and the trading price of our common stock. In the absence of available financing, we also may be unable to complete our vessel pending acquisitions, take advantage of business opportunities or respond to competitive pressures.

The instability of the euro or the inability of Eurozone countries to refinance their debts could have a material adverse effect on our revenue, profitability and financial position.

Concerns persist regarding the debt burden of certain Eurozone countries and their ability to meet future financial obligations and the overall stability of the euro. An extended period of adverse development in the outlook for European countries could reduce the overall demand for drybulk cargoes and for our services. These potential developments, or market perceptions concerning these and related issues, could affect our financial position, results of operations and cash flow.

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.

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.

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 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 carrier, 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 carrier 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.

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 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. 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.

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.

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.

We are dependent on spot charters and any decrease in spot charter rates in the future may adversely affect our earnings.

We currently operate almost all 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 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.

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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 almost all 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 stock.

During the year ended December 31, 2015, 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 identified by the U.S. government or other authorities as state sponsors of terrorism, such as Iran, Sudan and Syria; however our vessels may call on ports in these countries 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.

On July 14, 2015, following a period of time during which trade with Iran was widely sanctionable under U.S. law, the P5+1 and the EU announced that they reached a landmark agreement with Iran titled the Joint Comprehensive Plan of Action Regarding the Islamic Republic of Iran s Nuclear Program, or the JCPOA, which is intended to significantly restrict Iran s ability to develop and produce nuclear weapons for 10 years while simultaneously easing sanctions directed toward non-U.S. persons for conduct involving Iran, but taking place outside of U.S. jurisdiction and does not involve U.S. persons. On January 16, 2016, the United States joined the EU and the UN in lifting a significant number of their nuclear-related sanctions on Iran following an announcement by the International Atomic Energy Agency, or the IAEA, that Iran had satisfied its respective obligations under the JCPOA.

U.S. sanctions prohibiting certain conduct that is now permitted under the JCPOA have not actually been repealed or permanently terminated at this time. Rather, the U.S. government has implemented changes to the sanctions regime by: (1) issuing waivers of certain statutory sanctions provisions; (2) committing to refrain from exercising certain discretionary sanctions authorities; (3) removing certain individuals and entities from the Office of Foreign Assets Control s sanctions lists; and (4) revoking certain Executive Orders and specified sections of Executive Orders. These sanctions will not be permanently lifted until the earlier of Transition Day, set to occur on October 20, 2023, or upon a report from the IAEA stating that all nuclear material in Iran is being used for peaceful activities.

Although it is our intention to comply with the provisions of the JCPOA, there can be no assurance that we will be in compliance in the future as such regulations and U.S. sanctions may be amended over time, and the U.S. retains the authority to revoke the aforementioned relief if Iran fails to meet its commitments under the JPOA.

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 Iran, Syria, Sudan or Cuba or any entities controlled by the governments of these countries, including any entities organized in these countries.

Due to the nature of our business and the evolving nature of the foregoing sanctions and embargo laws and regulations, there can be no assurance that we will be in compliance at all times in the future, particularly as the scope of certain laws may be unclear and may be subject to changing interpretations. Any such violation could result in fines, penalties or other sanctions that could severely impact our ability to access U.S. capital markets and conduct our business, and could result in some investors deciding, or being required, to divest their interest, or 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 shares may adversely affect the price at which our common shares 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 shares may be adversely affected by the consequences of war, the effects of terrorism, civil unrest and governmental actions in these and surrounding countries.

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, European Union Regulations, the U.S. Oil Pollution Act of 1990, the U.S. Comprehensive Environmental Response, Compensation and Liability Act of 1980, the U.S. Clean Air Act, the U.S. Clean Water Act, the U.S. Marine Transportation Security Act of 2002, and regulations of the International Maritime Organization, or the IMO, including but not limited to, the International Convention for the Prevention of Pollution from Ships of 1975, the International Convention for the Prevention of Marine Pollution of 1973, the IMO International Convention for the Safety of Life at Sea of 1974 and the International Convention on Load Lines of 1966. 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 Maritime Transportation Security Act of 2002, or MTSA. To implement certain portions of the MTSA, in July 2003, the U.S. Coast Guard issued regulations requiring the implementation of certain security requirements aboard vessels operating in waters subject to the jurisdiction of the United States. 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.

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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 prevent labor interruptions. Any labor interruptions could disrupt our operations and harm our financial performance.

Maritime claimants could arrest one or more of our vessels.

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.

Governments could requisition our vessels during a period of war or emergency, resulting in loss of earnings.

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

Risks Relating to Our Company

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 of the nine vessels in our Current Fleet, and on November 30, 2016 we acquired the remaining vessel 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.

Our independent auditors have expressed doubt about our ability to continue as a going concern. The existence of such report may adversely affect our stock price, our business relationships and our ability to raise capital. There is no assurance that we will not receive a similar report for the year ending December 31, 2016.

Our financial statements have been prepared assuming that we will continue as a going concern and do not include any adjustments that might be necessary if we are unable to continue as a going concern. Accordingly, the financial statements did not include any adjustments relating to the recoverability and classification of recorded asset amounts, the amounts and classification of liabilities, or any other adjustments that might result in the event we are unable to continue as a going concern. However, there are material uncertainties related to events or conditions which raise substantial doubt on our ability to continue as a going concern and, therefore, we may be unable to realize our assets and discharge our liabilities in the normal course of business.

Our independent registered public accounting firm, Ernst & Young, has issued their opinion with an explanatory paragraph in connection with our audited financial statements included in this prospectus that expresses substantial doubt about our ability to continue as a going concern. In 2015 we acquired eight vessels in accordance with our business plan to grow our fleet on a sustainable basis. Currently, based on our cash flow projections, cash on hand and cash provided by operating activities might not be sufficient to cover the liquidity needs that become due in the twelve-month period ending September 30, 2017, including any loan prepayments that may be required in the case of future non-compliance with loan terms and covenants. We have relied on Jelco, a company affiliated with our Sponsor, for further funding during 2015 and 2016, for our vessel acquisitions, including with respect to the Additional Vessels, and general corporate purposes. Given these facts we cannot provide any assurance that we will in fact operate our business profitably or generate sufficient revenue or operating cash flow. Accordingly, there can be no assurance that our independent registered public accounting firm s report on our future financial statements for any future period will not include a similar explanatory paragraph. Ernst & Young s, or any successor s expression of such doubt or our inability to overcome the factors leading to such doubt could have a material adverse effect on our stock price, our business relationships and ability to raise capital and therefore could have a material adverse effect on our business and financial prospects.

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

On November 30, 2016 we acquired *Lordship*. The vessel to be renamed *Knightship* is scheduled for delivery during December 2016, and we may acquire additional vessels in the future. Our ability to manage our growth will primarily depend on our ability to:

- generate excess cash flow so that we can invest without jeopardizing our ability to cover current and foreseeable working capital needs, including debt service;
- raise equity and obtain required financing for our existing and new operations, including the proposed financing for our pending acquisition of the vessel to be renamed *Knightship*;
- 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;
- enhance our customer base; and
- manage our expansion.

Growing any business by acquisitions presents numerous risks such as 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 and the vessel to be renamed Knightship we have agreed to acquire, may result in increased operating costs and vessel off-hire, which could adversely affect our financial condition and results of operations.

All nine of the vessels in our Current Fleet are secondhand vessels, and the vessel to be renamed *Knightship* is also a secondhand vessel. 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.

Charterers actively discriminate against hiring older vessels. For example, Rightship, the ship vetting service founded by Rio Tinto and BHP-Billiton, which has become the major vetting service in the drybulk shipping industry, ranks the suitability of vessels based on a scale of one to five stars. All of the vessels in our Current Fleet have a five star rating from Rightship except the *Leadership* as she was previously in lay-up, meaning temporarily idle and removed from commercial operations. The *Leadership* completed her current special survey on October 21, 2016, and we expect her to regain a five star rating from Rightship. Most major carriers will not charter a vessel that Rightship has vetted with fewer than three stars. Therefore, as our vessels age, we may not be able to operate them profitably during the remainder of their useful lives.

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 have agreed to acquire the vessel to be renamed Knightship and may acquire further 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 the vessel to be renamed *Knightship* and 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 December 2, 2016, we had $198.3 million of outstanding debt, 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, including the vessel to be renamed *Knightship*, although there can be no assurance that we will be successful in identifying further vessels or securing such debt financing. Significant levels of debt could have important consequences to us, including the following:

- our ability to obtain additional financing, if necessary, for working capital, capital expenditures, acquisitions or other purposes may be impaired or such financing may be unavailable on favorable terms;
- we may need to use a substantial portion of our cash from operations to make principal and interest payments on our debt, 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 debt or seeking additional equity capital. We may not be able to effect any of these remedies on satisfactory terms, or at all. In addition, a lack of liquidity in the debt and equity markets could hinder our ability to refinance our debt or obtain additional financing on favorable terms in the future. For more information regarding our current loan facilities, please see Management s Discussion and Analysis of Financial Condition and Results of Operations – Description of Indebtedness.

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 debt, 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.

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 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.

We face strong competition, and 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.

Failure to comply with the U.S. Foreign Corrupt Practices Act 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 U.S. Foreign Corrupt Practices Act of 1977. We are subject, however, to the risk that we, our affiliated entities or our or their respective officers, directors, employees and agents may take actions determined to be in violation of such anti-corruption laws, including the U.S. Foreign Corrupt Practices Act. 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) and Fidelity provides us with commercial management services for our vessels. Our operational success depends significantly upon V.Ships and Fidelity s satisfactory performance of these services. Our business would be harmed if V.Ships or Fidelity failed to perform these services satisfactorily. In addition, if our management agreements with either V.Ships or Fidelity were to be terminated or if their terms were to be altered, our business could be adversely affected, as we may not be able to immediately replace such services, and even if replacement services were immediately available, the terms offered could be less favorable than those under our 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 pay a monthly fee of $9,650 per vessel, except for the Additional Vessels for which we have agreed to pay a monthly fee of $8,000 per vessel, 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, 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.

For our 2015 taxable year, we did not have any U.S. source gross shipping income and consequently we were not subject to the 4% U.S. federal income tax.

We may, however, realize U.S. source gross shipping income in our 2016 or subsequent taxable year. If we realize U.S. source gross shipping income in our 2016 or subsequently taxable year, we may qualify for exemption from the 4% tax under Section 883 for such taxable year only if we satisfy one of the ownership tests described in Tax Considerations – U.S. Federal Income Tax Consequences – Exemption of Operating Income from United States Federal Income Taxation for such taxable year. The ownership tests would require us, inter alia, to establish or substantiate sufficient ownership of our common shares by one or more qualified shareholders. These substantiation requirements are onerous and therefore there can be no assurance that we will be able to satisfy them.

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 our 2016 or 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.

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.

Risks Relating to Our Common Shares, Our Class A Warrants 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, collectively own approximately 76.2% of our outstanding common shares as of December 2, 2016. Jelco may also acquire up to 27,738,890 additional common shares upon conversion of the convertible promissory notes described below. As a result, they will 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 stockholder approval, which would dilute our existing stockholder s 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 December 2, 2016, 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, issued by the Company to Jelco and 23,516,667 common shares upon exercise of a conversion option pursuant to the convertible promissory note dated September 7, 2015, as amended, issued by the Company to Jelco. Our issuance of additional common shares in such instance would cause the proportionate ownership interest in us of our existing shareholders, other than the converting noteholder, 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.

There is currently no public market for the Class A Warrants offered in this offering, and we can provide no assurance that a market for the Class A Warrants may develop, which may make it difficult for our investors to sell their Class A Warrants.

There is currently no market for the Class A Warrants. Holders of our Class A Warrants therefore have no access to information about prior market history on which to base their investment decisions. Even though we have applied to list the Class A Warrants on the Nasdaq Capital Market, an active trading market for the Class A

Warrants may never develop or, if developed, it may not be sustained. Our investors may not be able to sell Class A Warrants unless a market can be established and sustained. In addition, following this offering, the price of our Class A Warrants may vary significantly due to general market or economic conditions.

We may call the unexercised Class A Warrants prior to their exercise at a time that is disadvantageous to holders of the warrants.

The Class A Warrants are callable by the Company beginning 13 months after the closing of this offering under certain conditions, including the volume weighted average price of the common shares exceeding $7.00 for a period of 10 consecutive trading days, or the Measurement Period. The Company may, within one trading day of the end of such Measurement Period, call for cancellation of all or any portion of the outstanding and unexercised Class A Warrants for consideration equal to $0.0001 per common share issuable upon exercise of the Class A Warrants. Calling the outstanding and unexercised Class A Warrants could force holders (i) to exercise their warrants and pay the exercise price at a time when it may be disadvantageous for them to do so, (ii) to sell their warrants at the then-current market price when they might otherwise wish to hold their warrants or (iii) to accept the nominal call price which, at the time the outstanding warrants are called for redemption, is likely to be substantially less than the market value of their warrants.

Holders of our Class A Warrants will have no rights as a holder of our common shares until they acquire our common shares by exercising their Class A Warrants.

Until a Class A Warrant holder acquires common shares upon exercise of its Class A Warrants, such holder will have no rights with respect to common shares issuable upon exercise of the Class A Warrants. Once any shares underlying the Class A Warrants are issued, the holder will be entitled to exercise the rights of a holder of common shares only as to matters for which the record date occurs after the issuance date.

The exercise of Class A Warrants and the Representative s Warrant would cause dilution, which could cause the price of our common shares to decline.

We will be issuing Class A Warrants to purchase 10,000,000 common shares (or 11,500,000 common shares if the underwriters exercise their option to purchase additional shares and/or Class A Warrants in full) and the Representative s Warrant to purchase 500,000 common shares (or 575,000 common shares if the underwriters exercise their option to purchase additional shares in full). Such warrants, when exercised, will increase the number of issued and outstanding common shares. Future issuances of our common shares upon the exercise of Class A Warrants and the Representative s Warrant will cause immediate and substantial dilution to the ownership interests of existing holders of our common shares, including their relative voting rights. Such dilutive effect may cause the price of our common shares to decline.

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.

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USE OF PROCEEDS

We estimate that we will receive net proceeds of approximately $13,380,000, and approximately $15,450,000 million if the underwriters exercise their option to purchase additional shares and/or Class A Warrants in full but assuming no exercise of the Class A Warrants or Representative s Warrant, after deducting underwriting discounts and commissions and estimated expenses payable by us.

We intend to use $5.0 million of the net proceeds of this offering to repay a portion of the Jelco Loan Facility and the balance for general corporate purposes, which may include potential vessel acquisitions in accordance with our growth strategy. However, we do not currently have any potential acquisitions identified, other than the vessel to be renamed *Knightship*, and we can provide no assurance that we will be able to identify additional vessels to acquire or that we will be able to complete the acquisition of any vessels that we are able to identify.

We entered into the Jelco Loan Facility with Jelco, an entity affiliated with our Sponsor, to fund the initial $4.2 million deposit for the Additional Vessels. We drew down an additional $8.7 million under the Jelco Loan Facility to fund a portion of the remaining purchase price of *Lordship* and for working capital related to the vessel. The Jelco Loan Facility bears interest at LIBOR plus a margin of 9% and matures on the earlier of (i) February 28, 2018 and (ii) the date falling 14 months from the final drawdown date, but the maturity date may, in certain circumstances, be extended to the earlier of (i) February 28, 2019 and (ii) the date falling 26 months from the final drawdown date.

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.

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:

	High	Low
For the Year ended December 31:		
2015	$ 6.75	$ 2.75
2014	9.95	4.13
2013	12.30	4.00
2012	21.15	5.20
2011	74.18	10.31
For the Quarter Ended:		
September 30, 2016	$ 6.20	$ 2.06
June 30, 2016	3.01	2.10
March 31, 2016	5.54	1.58
December 31, 2015	4.35	3.00
September 30, 2015	6.75	3.02
June 30, 2015	4.10	2.75
March 31, 2015	4.50	3.25
December 31, 2014	8.80	4.13
September 30, 2014	9.15	6.75
June 30, 2014	8.90	6.40
March 31, 2014	9.95	6.55
For the Month:		
December 2016 (up to December 2, 2016)	$ 2.40	$ 2.30
November 2016	7.20	2.05
October 2016	3.03	2.05
September 2016	3.47	2.69
August 2016	6.20	2.90
July 2016	3.55	2.06
June 2016	2.33	2.10

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CAPITALIZATION

The following table sets forth our capitalization as of September 30, 2016:

- on an actual basis;
- on an as adjusted basis, to give effect to (a) a $4.2 million drawdown under the Jelco Loan Facility on October 5, 2016 to fund the initial deposit related to the Additional Vessels, (b) $3.2 million of net proceeds from our registered direct offering on November 23, 2016 of 1,305,000 common shares, (c) a $8.7 million drawdown on November 28, 2016 under the Jelco Loan Facility to fund a portion of the remaining purchase price of *Lordship* and for working capital related to the vessel, and (d) a $7.5 million drawdown under our November 28, 2016 secured loan facility with NSF to fund a portion of the aggregate purchase price of *Lordship*; and
- on an as further adjusted basis to give effect to approximately $13.4 million of net proceeds from the sale of 10,000,000 common shares and 10,000,000 Class A Warrants in this offering (but assuming no exercise of the underwriters option to purchase additional shares and/or Class A Warrants, or any exercise of Class A Warrants or the Representative's Warrant) and the $5.0 million partial repayment of the Jelco Loan Facility as described in Use of Proceeds.

There have been no significant adjustments to our capitalization since September 30, 2016, 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.

(All figures in thousands of U.S. dollars, except for share amounts)	**Actual**	**As Adjusted (unaudited)**	**As Further Adjusted (unaudited)**
Debt:			
Secured long-term debt, net of deferred finance costs	177,208	197,508	192,508
Unsecured convertible promissory notes	822	822	822
Total Debt	**178,030**	**198,330**	**193,330**
Shareholders' 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 September 30, 2016; 20,694,410 shares issued and outstanding as at September 30, 2016; 21,999,410 shares issued and outstanding as adjusted; 31,999,410 shares issued and outstanding as futher adjusted	2	2	3
Additional paid-in capital (excluding shareholder's convertible notes)	325,755	328,923	342,302
Shareholder's convertible notes	24,965	24,965	24,965
Accumulated deficit	(331,569)	(331,569)	(331,569)
Total equity	**19,153**	**22,321**	**35,701**

Total capitalization	**197,183**	**220,651**	**229,031**

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DILUTION

Dilution or accretion is the amount by which the offering price paid by the purchasers of our common shares in this offering will differ from the net tangible book value per common share after the offering. The net tangible book value per common share is equal to the amount of our total tangible assets (total assets less intangible assets) less total liabilities dividend by the number of common shares outstanding. The historical net tangible book value as of September 30, 2016 was $19.2 million in total and $0.93 per share for the number of shares of the existing shareholders that were outstanding at that date. The as adjusted[1] net tangible book value as of September 30, 2016 was $22.3 million in total and $0.45 per share for the as adjusted number of shares of the existing shareholders that were outstanding at that date.

The as further adjusted[2] net tangible book value as of September 30, 2016 would have been $35.7 million, or $0.60 per common share after the issuance and sale by us of 10,000,000 common shares and 10,000,000 Class A Warrants at a public offering price of $1.50 per share and Class A Warrant in this offering, after deducting underwriting discounts and commissions and estimated expenses payable by us. This represents an immediate increase in net tangible book value of $0.15 per share to the existing shareholders and an immediate dilution in net tangible book value of $0.90 per share to new investors.

The following table illustrates the pro forma per share dilution and increase in net tangible book value as of September 30, 2016:

Public offering price per common share	$	1.50
As adjusted[1] net tangible book value per share before this offering	$	0.45
Increase in as adjusted net tangible book value attributable to new investors in this offering	$	0.15
As further adjusted[2] net tangible book value per share after giving effect to this offering	$	0.60
Dilution per share to new investors	$	0.90

The following table summarizes, as of September 30, 2016, on an as further adjusted basis[2] for this public offering, the difference between the number of common shares acquired from us, the total amount paid and the average price per share paid by the existing shareholders and the number of common shares acquired from us, the total amount paid and the average price per share paid by you as a new investor in this offering, based upon the public offering price of $1.50 per share and Class A Warrant.

	As Further Adjusted Shares Outstanding[2]		Total Consideration		Average Price Per Share
	Number	Percent	Amount *(In USD Thousands)*	Percent	
Existing shareholders	49,738,300	83.3 %	$ 22,321,000	59.8 %	$ 0.45
New investors[*]	10,000,000	16.7 %	$ 15,000,000	40.2 %	$ 1.50
Total	59,738,300	100 %	$ 37,321,000	100 %	$ 0.62

[*] Before deducting estimated expenses of this offering of $1.6 million.

[1] The as adjusted amounts include the adjustments described in the second bullet of the section entitled Capitalization and the issuance of 4,222,223 common shares upon exercise of a conversion option pursuant to the convertible promissory note, dated March 12, 2015, as amended, that we issued to Jelco and 23,516,667 common shares upon exercise of a conversion option pursuant to the convertible promissory note, dated September 7, 2015, as amended, that we issued to Jelco. Under each of the convertible promissory notes, Jelco, an entity affiliated with our Sponsor, may, at its option, convert the principal amount under each note at any time into

common shares at a conversion price of $0.90 per share. As of December 2, 2016, $3.8 million was outstanding under the convertible promissory note dated March 12, 2015, and $21.2 million was outstanding under the convertible promissory note dated September 7, 2015, as amended.

(2) The as further adjusted amounts include the adjustments described in (1) above and the adjustments described in the third bullet of the section entitled Capitalization .

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SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA

The information set forth below should be read in conjunction with Capitalization, Management s Discussion and Analysis of Financial Condition and Results of Operations and our audited and unaudited consolidated financial statements and related notes included elsewhere in this prospectus.

We have derived the following consolidated financial data for the years ended December 31, 2015, 2014 and 2013 and as of December 31, 2015 and 2014 from our audited consolidated financial statements that are included elsewhere in this prospectus. We have derived the following consolidated financial data for the years ended December 31, 2012 and 2011 and as of December 31, 2013, 2012 and 2011 from our audited consolidated financial statements that are not included in this prospectus. We have derived the following consolidated financial data for the nine months ended September 30, 2016 and 2015 and as of September 30, 2016 from our unaudited interim condensed consolidated financial statements that are included elsewhere in this prospectus. Operating results for the nine months ended September 30, 2016 are not necessarily indicative of the results that may be expected for the entire year ending December 31, 2016.

On January 7, 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.

(Amounts in thousands of U.S. dollars, except for share and per share data.)

	Year Ended December 31,				
	2015	**2014**	**2013**	**2012**	**2011**
Statement of Income Data:					
Vessel revenue, net	11,223	2,010	23,079	55,616	104,060
Direct voyage expenses	(7,496)	(1,274)	(8,035)	(13,587)	(2,541)
Vessel operating expenses	(5,639)	(1,006)	(11,086)	(26,983)	(34,727)
Voyage expenses - related party	—	(24)	(313)	(532)	(661)
Management fees - related party	—	(122)	(743)	(1,625)	(2,415)
Management fees	(336)	—	(194)	(588)	(576)
General and administration expenses	(2,804)	(2,987)	(3,966)	(6,337)	(8,070)
General and administration expenses - related party	(70)	(309)	(412)	(402)	(603)
Loss on bad debts	(30)	(38)	—	(327)	—
Amortization of deferred dry-docking costs	(38)	—	(232)	(3,648)	(7,313)
Depreciation	(1,865)	(3)	(982)	(15,606)	(28,856)
Loss on sale of vessels	—	—	—	(15,590)	—
Impairment loss for goodwill	—	—	—	(4,365)	(12,910)

Impairment loss for vessels and deferred charges	—	—	(3,564)	(147,143)	(188,995)
Gain on disposal of subsidiaries	—	—	25,719	—	—
Gain on restructuring	—	85,563	—	—	—
Operating (loss) / income	(7,055)	81,810	19,271	(181,117)	(183,607)
Interest and finance costs	(1,460)	(1,463)	(8,389)	(12,480)	(13,482)
Interest and finance costs - related party	(399)	—	—	—	—
Interest income	—	14	13	59	60
Loss on interest rate swaps	—	—	(8)	(189)	(641)
Foreign currency exchange (losses) gains, net	(42)	(13)	19	(43)	(46)
Total other expenses, net	(1,901)	(1,462)	(8,365)	(12,653)	(14,109)
Net (loss) / income before taxes	(8,956)	80,348	10,906	(193,770)	(197,716)
Income taxes	—	—	1	2	(40)
Net (loss) / income	(8,956)	80,348	10,907	(193,768)	(197,756)
Net (loss) / income per common share					
Basic and diluted	(0.83)	30.06	4.56	(83.69)	(135.18)
Weighted average common shares outstanding					
Basic	10,773,404	2,672,945	2,391,628	2,315,315	1,462,927
Diluted	10,773,404	2,672,950	2,391,885	2,315,315	1,462,927
Dividends declared per share	—	—	—	—	—

	As of December 31,				
	2015	2014	2013	2012	2011
Balance Sheet Data:					
Cash and restricted cash	3,354	2,873	3,075	6,298	37,294
Total current assets	8,278				