Risk Factors Comparison 2024-03-14 to 2023-03-15 Form: 10-K

Legend: **New Text** ~~Removed Text~~ Unchanged Text Moved Text Section

An investment in our securities involves a high degree of risk. You should consider carefully the material risks described below, which we believe represent the material risks related to our business and our securities, together with the other information contained in this Form 10- K, before making a decision to invest in our securities. This Form 10- K also contains forward-looking statements that involve risks and uncertainties. In connection with such forward looking statements, you should also carefully review the cautionary statements referred to under " Special Note Regarding Forward Looking Statements. " Our actual results could differ materially from those anticipated in the forward- looking statements as a result of specific factors, including the risks described below. Summary of Risk Factors • The cyclical and volatile nature of the seaborne drybulk transportation industry may lead to significant decreases in charter and freight rates, which may have an adverse effect on our revenues, earnings and profitability and our ability to comply with our loan covenants. • Further increases in interest rates could adversely affect our cash flow and financial condition. • Any change in drybulk carrier capacity in the future may result in lower charter and freight rates which, in turn, will adversely affect our profitability. • The continuing conflict in Ukraine and **the Middle East and** resulting sanctions by the United States, European Union and other countries have adversely impact global economic conditions and contribute to inflation and volatility in commodity prices. • The market values of our owned vessels may decrease, which could limit the amount of funds that we can borrow or cause us to breach certain covenants in our credit facilities and we may incur impairment or a loss if we sell vessels following a decline in their market value. • The state of the global financial markets and economic conditions may adversely impact our ability to obtain additional financing on acceptable terms and otherwise negatively impact our business. • Changes in the economic and political environment in China and policies adopted by the government to regulate its economy may have a material adverse effect on our business, financial condition and results of operations. • Our financial results and operations may be adversely affected by the continuing impacts of the outbreak of COVID- 19, and **other epidemic and pandemic diseases and** continuing governmental responses ~~thereto~~ in certain jurisdictions, including China. • Our revenues are subject to seasonal fluctuations, which could affect our operating results and our ability to pay dividends, if any, in the future. • If our vessels call on ports located in countries or territories or carry cargo that is the subject of sanctions or embargoes imposed by the U. S., the European Union, the United Nations, or other governmental authorities, it could lead to monetary fines or penalties and may adversely affect our reputation and the market for our securities. • We are subject to complex laws and regulations, including environmental regulations that can adversely affect the cost, manner or feasibility of doing business. • Changes in fuel prices, that may result from increased oil prices, may adversely affect our profitability. • In the highly competitive international shipping industry, we may not be able to compete successfully for chartered- in vessels or for vessel employment and, as a result, we may be unable to charter- in vessels at reasonable rates or employ our vessels profitably. • Increasing scrutiny and changing expectations from investors, lenders and other market participants with respect to our Environmental, Social and Governance (" ESG ") policies may impose additional costs on us or expose us to additional risks. • We depend upon a few significant customers for a large part of our revenues and cash flow, and the loss of one or more of these customers could adversely affect our financial performance. • We are subject to certain risks with counterparties on contracts and the failure of such counterparties to meet their obligations could cause us to suffer losses or otherwise adversely affect our business and ability to comply with covenants in our loan agreements, which could impose operating and financial restrictions on us. • Obligations associated with being a public company require significant company resources and management attention, and we incur increased costs as a result of being a public company. • Because we purchase and operate secondhand vessels, we may be exposed to increased operating costs which could adversely affect our earnings and, as our fleet ages, the risks associated with older vessels could adversely affect our ability to obtain profitable charters. • Our ability to obtain additional debt financing, or to refinance existing indebtedness, may be dependent on the performance and length of our charter contracts and the creditworthiness of our contract counterparties. • We depend on our Chief Executive Officer, Chief Operating Officer, Chief Financial Officer and other key employees, and the loss of their services would have a material adverse effect on our business, results and financial condition. • Exposure to currency exchange rate fluctuations will result in fluctuations in our cash flows and operating results. • United States tax authorities could treat us as a " passive foreign investment company, " which could have adverse United States federal income tax consequences to U. S. holders. • We rely on our information systems to conduct our business, and failure to protect these systems against security breaches could adversely affect our business and results of operations, including on our vessels. Additionally, if these systems fail or become unavailable for any significant period of time, our business could be harmed. • Volatility in the broader securities markets and trading volume of our common shares could adversely impact the trading price of our common shares. • Because we are a foreign corporation, you may not have the same rights that a shareholder in a U. S. corporation may have, and it may not be possible for our investors to enforce U. S. judgments against us. Risks Relating to our Industry The seaborne drybulk transportation industry is cyclical and volatile, and this may lead to reductions in our charter hire rates, vessel values and results of operations. The international seaborne drybulk transportation industry is cyclical and volatile, and a lengthy downturn in the drybulk charter market **could** severely ~~affected~~ -- **affect** the entire drybulk shipping industry. The degree of charter and freight rate volatility for vessels has varied widely and is due to various factors, including changing crude oil prices, economic activity in the largest economies, including China, a strong U. S. Dollar and the associated weakening of other world currencies and the supply of available tonnage. A worsening of current global economic conditions may cause dry bulk charter rates to decline and thereby adversely affect our ability to charter or re- charter our vessels and any renewal or replacement charters that we enter into, may not be sufficient to allow us to operate our vessels profitably. In addition, the conflict in Ukraine ~~is~~ **has continued** disrupting energy production **grain exports** and trade patterns, including shipping in the Black Sea and elsewhere, and its impact on **such markets remains** ~~energy prices and charter rates, which initially have increased, is~~ uncertain. Fluctuations in charter hire rates result from changes in the supply of and demand for vessel capacity and changes in the supply of and demand for energy resources, commodities, semi- finished and finished consumer and industrial products internationally carried at sea. If we enter into a charter when charter hire rates are low, our revenues and earnings will be adversely affected. In addition, a decline in charter hire rates is likely to cause the market value of our vessels to decline. We cannot assure you that we will be able to successfully charter our vessels in the future or renew our existing charters at rates sufficient to allow us to operate our business profitably, meet our obligations or pay dividends to our shareholders. The factors affecting the supply and demand for vessels are outside of our control, and the nature, timing and degree of changes in industry conditions are unpredictable. Although our operating fleet is primarily chartered- in on a short- term basis and lower charter rates result in lower charter hire costs, changes in charter and freight rates in the drybulk market affect vessel values and earnings on our owned fleet, and may affect our cash flows, liquidity and ability to comply with the financial covenants in our loan agreements. ~~Another~~ **An** extended downturn in the drybulk carrier market may have adverse consequences. The value of our common shares could be substantially reduced under these circumstances. We employ our vessels under a mix of voyage charters and time charters and COA' s which typically extend for varying lengths of time, from one month to ten years. As a result, we are exposed to changes in market rates for drybulk carriers and such changes may affect our earnings and the value of our owned drybulk carriers at any given time. A COA relates to the carriage of multiple cargoes over the same route and enables the COA holder to nominate different vessels to perform individual voyages. We may not be able to successfully employ our vessels in the future or renew existing contracts at rates sufficient to allow us to meet our obligations. We are also exposed to volatility in the market rates we pay to charter- in vessels. Fluctuations in charter and freight rates result from changes in the supply of and demand for vessel capacity and changes in the demand for seaborne carriage of commodities. Because the factors affecting the supply of and demand for vessels are outside of our control and are unpredictable, the nature, timing, direction and degree of changes in industry conditions are also unpredictable. Factors that influence demand for vessel capacity include: • supply of and demand for energy resources, commodities, semi- finished and finished consumer and industrial products; • changes in the exploration or production of energy resources, commodities, semi- finished and finished consumer and industrial products; • the location of regional and global exploration, production and manufacturing facilities; • the location of consuming regions for energy resources, commodities, semi- finished and finished consumer and industrial products; • the globalization of production and manufacturing; • global and regional economic and political conditions, including armed conflicts, terrorist activities, sanctions, embargoes and strikes; • natural disasters and other disruptions in international trade; • **disruptions and** developments in international trade; • changes in seaborne and other transportation patterns, including the distance cargo is transported by sea; • environmental and other regulatory developments; • currency exchange rates; • **international sanctions, embargoes, import and export restrictions, nationalizations, piracy, terrorist attacks and armed conflicts, including the ongoing Ukrainian- Russian and Israeli- Hamas conflicts; • economic slowdowns caused by public health** pandemics ~~, such as the ongoing COVID- 19 pandemic~~ ; • bunker (fuel) prices; and • weather. Demand for our vessels is dependent upon economic growth in the world' s economies, seasonal and regional changes in demand, changes in the capacity of the global drybulk fleet and the sources and supply of drybulk cargo transported by sea. Although the current newbuilding orderbook (as a percentage of the on- the- water fleet) is at a historically low level, a pickup in new ordering could increase global capacity and there can be no assurance that economic growth will continue in order to absorb this higher supply. Adverse economic, political, social or other developments could have a material adverse effect on our business and operating results. The factors that influence the supply of vessel capacity include: • the number **and size** of newbuilding **orders and** deliveries; • port and canal congestion ~~;~~ **, including as the result of restrictions or reductions in the capacity of the Panama and Suez Canals due to environmental or geopolitical factors,** • bunker prices; • the scrapping rate of older vessels; • vessel casualties; • speed of vessels being operated; • the number of vessels that are out of service, namely those that are laid- up, dry- docked, awaiting repairs or otherwise not available for hire; • availability of financing for new vessels; • changes in national or international regulations that may effectively cause reductions in the carrying capacity of vessels or early obsolescence of tonnage; and • changes in environmental and other regulations that may limit the useful lives of vessels or requires technological developments not yet perfected for commercialization. **Furthermore, the conflict in Ukraine combined with inflationary pressures and / or supply chain disruptions across most major economies have negatively impacted certain of the countries in which we operate in and may lead to a global economic slowdown, which might in turn adversely affect demand for our vessels. In particular, the conflict in Ukraine and related sanctions measures imposed against Russia has continued to disrupt energy production and trade patterns, including shipping in the Black Sea and elsewhere, and has impacted the price of certain dry bulk goods, such as grain, as well as energy and fuel prices. Notably, various jurisdictions have imposed sanctions against Russia directly targeting the maritime transport of goods originating from Russia, such as of oil products and agricultural commodities such as potash. Such measures, and the response of targeted jurisdictions to them, have disrupted trade patterns of certain of the goods which we transport and have correspondingly impacted charter rates for the transport of such goods. The ongoing conflict between Israel and Hamas, which commenced in October 2023, has resulted in a surge in acts of piracy and assaults on vessels in the Red Sea. According to reports from the U. S. military, three commercial vessels have been targeted in international waters in the southern Red Sea. Yemen' s Houthi group has claimed responsibility for drone and missile strikes on two vessels near the Cape of Good Hope in southern Africa. These incidents have significantly extended the duration and expenses of voyages from east to west. While we cannot currently determine the immediate consequences of this conflict, the continued occurrence of attacks or piracy attempts, as well as the response from the United States, Great Britain, and other governments, or the continued diversion of vessels from**

the Suez Canal, may have an adverse impact on our business, financial condition, and operational outcomes. In addition to the prevailing and anticipated charter and freight rates, factors that affect the rate of newbuilding, scrapping and laying- up include newbuilding prices, secondhand vessel values in relation to scrap prices, costs of bunker fuels and other operating costs, costs associated with classification society surveys, normal maintenance and insurance coverage, the efficiency and age profile of the existing drybulk fleet in the market and government and industry regulation of maritime transportation practices, particularly environmental protection laws and regulations. These factors influencing the supply of and demand for shipping capacity are outside of our control, and we may not be able to correctly assess the nature, timing and degree of changes in industry conditions. We anticipate that the future demand for our drybulk carriers and our logistics services will be dependent upon economic growth in world economies and its associated industrial production, seasonal and regional changes in demand, changes in the capacity of the global drybulk carrier fleet and the sources and supply of drybulk cargoes to be transported by sea. Global economic conditions may continue to negatively impact the drybulk shipping industry. Major market disruptions and adverse changes in market conditions and regulatory climate in China, the United States, the European Union and worldwide may adversely affect our business or impair our ability to borrow amounts under credit facilities or any future financial arrangements. Chinese dry bulk imports have accounted for the majority of global dry bulk transportation growth annually over the last decade. Accordingly, our financial condition and results of operations, as well as our future prospects, would likely be hindered by an economic downturn in any of these countries or geographic regions. In recent years China and India have been among the world' s fastest growing economies in terms of gross domestic product, and any economic slowdown in the Asia Pacific region particularly in China or India may adversely affect demand for seaborne transportation of our products and our results of operations. Moreover, any deterioration in the economy of the United States or the European Union, may further adversely affect economic growth in Asia. Economic growth is uncertain but any slowdown, including due to supply-chain disruption, **high energy process and** the ~~recent~~ surge in inflation and related actions by central banks and geopolitical conditions, could result in a significant risk of recession in many parts of the world in the near term. In particular, an adverse change in economic conditions affecting China, Japan, India or Southeast Asia generally could have a negative effect on the drybulk market ~~. Volatility of LIBOR and potential changes of the use of LIBOR as a benchmark could affect our profitability, earnings and cash flow. As certain of our current financing agreements have, and our future financing arrangements may have, floating interest rates, typically based on LIBOR, movements in interest rates could negatively affect our financial performance. The publication of U. S. Dollar LIBOR for the one- week and two- month U. S. Dollar LIBOR tenors ceased on December 31, 2021, and the ICE Benchmark Administration (" IBA "), the administrator of LIBOR, with the support of the United States Federal Reserve and the United Kingdom' s Financial Conduct Authority, announced the publication of all other U. S. Dollar LIBOR tenors will cease on June 30, 2023. The United States Federal Reserve concurrently issued a statement advising banks to cease issuing U. S. Dollar LIBOR instruments after 2021. As such, any new loan agreements we enter into will not use LIBOR as an interest rate, and we will need to transition our existing loan agreements from U. S. Dollar LIBOR to an alternative reference rate prior to June 2023. In order to manage our exposure to interest rate fluctuations under LIBOR, the Secured Overnight Financing Rate, or " SOFR ", or any other alternative rate, we have and may from time to time use interest rate derivatives to effectively fix some of our floating rate debt obligations. No assurance can however be given that the use of these derivative instruments, if any, may effectively protect us from adverse interest rate movements. The use of interest rate derivatives may affect our results through mark to market valuation of these derivatives. Also, adverse movements in interest rate derivatives may require us to post cash as collateral, which may impact our free cash position. Interest rate derivatives may also be impacted by the transition from LIBOR to SOFR or other alternative rates. Our financing agreements contain a provision requiring or permitting us to enter into negotiations with our lenders to agree to an alternative interest rate or an alternative basis for determining the interest rate in anticipation of the cessation of LIBOR. These clauses present significant uncertainties as to how alternative reference rates or alternative bases for determination of rates would be agreed upon, as well as the potential for disputes or litigation with our lenders regarding the appropriateness or comparability to LIBOR of any substitute indices, such as SOFR, and any credit adjustment spread between the two benchmarks. In the absence of an agreement between us and our lenders, most of our financing agreements provide that LIBOR would be replaced with some variation of the lenders' cost- of- funds rate. The discontinuation of LIBOR presents a number of risks to our business, including volatility in applicable interest rates among our financing agreements, potential increased borrowing costs for future financing agreements or unavailability of or difficulty in attaining financing, which could in turn have an adverse effect on our profitability, earnings and cash flow~~ . Variable rate indebtedness could subject us to interest rate risk, which could cause our debt service obligations to increase significantly. Our credit facilities use variable interest rates and expose us to interest rate risk. If interest rates increase and we are unable to effectively hedge our interest rate risk, our debt service obligations on the variable rate indebtedness would increase even if the amount borrowed remained the same, and our profitability and cash available for servicing our indebtedness would decrease. We may be adversely affected by developments in the SOFR market, changes in the methods by which SOFR is determined or the use of alternative reference rates. In 2017, the U. K. Financial Conduct Authority announced that it intended to phase out LIBOR, and in 2021, it announced that all LIBOR settings will either cease to be provided by any administrator or no longer be representative immediately after December 31, 2021, in the case of one- week and two- month U. S. Dollar settings, and immediately after June 30, 2023, in the case of the remaining U. S. Dollar settings. The Federal Reserve also has advised banks to cease entering into new contracts that use U. S. Dollar LIBOR as a reference rate. The Alternative Refinance Rate Committee, a committee convened by the Federal Reserve that includes major market participants, has identified SOFR, an index calculated by short- term repurchase agreements, backed by U. S. Treasury securities, as its preferred alternative rate for LIBOR in the U. S. Although SOFR appears to be the preferred replacement rate for U. S. Dollar LIBOR and has been adopted as the benchmark interest rate for our debt arrangements, it is unclear if other benchmarks may emerge. The consequences of these developments cannot be entirely predicted, and there can be no assurance that they will not result in financial market disruptions, significant increases in benchmark interest rates, substantially higher financing costs or a shortage of available debt financing, any of which could have an adverse effect on our business, financial position and results of operations, and our ability to pay dividends. Our business is affected by macroeconomic conditions, including rising inflation, interest rates, market volatility, economic uncertainty, and supply chain constraints. Various macroeconomic factors could adversely affect our business and the results of our operations and financial condition, including changes in inflation, interest rates and overall economic conditions and uncertainties such as those resulting from the current and future conditions in the global financial markets. For instance, inflation has negatively impacted us by increasing our labor costs, through higher wages and higher interest rates, and operating costs. Supply chain constraints have led to higher inflation, which if sustained could have a negative impact on our operations. If inflation or interest rates were to significantly increase, our business operations may be negatively affected. Interest rates, the liquidity of the credit markets and the volatility of the capital markets could also affect the operation of our business and our ability to raise capital on favorable terms, or at all, in order to fund our operations. The invasion of Ukraine by Russia and resulting sanctions by the United States, European Union and other countries have contributed to inflation, market disruptions and increased volatility in commodity prices in the United States and a slowdown in global economic growth. On February 24, 2022, a full- scale military invasion of Ukraine by Russian troops was reported. In response to the attacks on Ukraine, sanctions and other penalties have been levied by the United States, European Union, and other countries and additional sanctions and penalties have been proposed. The invasion by Russia and resulting sanctions have had a broad range of adverse impacts on global business and financial markets some of which have had and may continue to have adverse impacts on our business. These include increased inflation, significant market disruptions and increased volatility in commodity prices such as corn, oil and natural gas. Although the duration and extent of the ongoing military conflict is highly unpredictable, and the magnitude of the potential economic impact is currently unknown, Russian military actions and resulting sanctions could have a negative effect on our financial condition and operating results. **The** ~~As of late February 2023, the~~ ongoing conflict between Russia in Ukraine has developed into a war, posing an increasing risk for global economic growth. Major economic sanctions against Russia are having a considerable impact on oil and gas prices, given the dependence of the EU on oil and gas exports out of Russia combined with limited spare capacity of such commodities globally. Energy prices have increased significantly, leading to major inflationary pressures in the major developed countries that rely heavily on oil and gas exports out of Russia. In addition, the combined Russia / Ukraine region account for approximately one quarter of global grain production, one of the main cargoes transported by dry bulk vessels, while coal and iron ore exports out of the region have also been reduced. The above factors can have a material negative impact on demand for dry bulk transportation, while slower economic growth could also negatively affect demand for dry bulk commodities in the rest of the world, leading to lower dry bulk freight rates. The recent conflict between Russia and Ukraine is having a profound impact on global commodities prices including grain and coal, two of the most important commodities for dry bulk shipping. Given the importance of the region in export volumes for both grains and coal, a prolonged stoppage could lead to significantly lower freight rates and thus a decline in freight futures prices. Although coal supplies could potentially be sourced from elsewhere partly mitigating the negative impact of the lost volumes, global grain production capacity is limited, and thus the impact of the lost volumes could not be easily mitigated. In addition, the recent geopolitical turmoil has led to an increase in government protectionism when it comes to commodities, and if such a trend continues, it could lead to lower bulk commodities trading globally over the long term. The impact of such a scenario on dry bulk shipping will be negative, leading to lower spot rates and as a result lower freight futures prices. The global drybulk fleet has increased significantly over the past 10 years as a result of the large number of newbuilding orders placed throughout this period. Scrapping of older ships has helped curtail some of this new supply growth, but it has not been enough to materially offset the large net growth in the fleet. Supply growth momentum has slowed significantly in recent years as less and less newbuilding orders have been placed. The fair market values of our owned dry bulk vessels have generally experienced high volatility, and you should expect the market values of our vessels to fluctuate depending on a number of factors including: • prevailing level of charter and freight rates; • general economic and market conditions affecting the shipping industry; • the balance between the supply of and demand for ships of a certain type; • competition from other shipping companies; • types and sizes of vessels; • supply of and demand for vessels; • the availability and cost of other modes of transportation; • cost of newbuildings; • shipyard capacity; • governmental and other regulations, including those that may limit the useful life of vessels; • the prevailing level of charter rates; • the need to upgrade secondhand and previously owned vessels as a result of environmental, safety, regulatory or charterer requirements; and • technological advances. In addition, as vessels grow older, they generally decline in value. If the market values of our owned vessels decrease, we may not be in compliance with certain covenants in our credit facilities secured by mortgages on our drybulk vessels unless we provide additional collateral or prepay a portion of the loan to a level where we are again in compliance with our loan covenants. We were in compliance with all covenants for the years ended December 31, **2023 and** 2022 ~~and 2021~~. If we sell one or more of our vessels at a time when vessel prices have fallen and before we have recorded an impairment adjustment to our consolidated financial statements, the sale proceeds may be less than the vessel' s carrying amount, resulting in a loss and a reduction in earnings. Conversely, if vessel values are elevated at a time when we wish to acquire additional vessels, the cost of acquisition may increase and this could adversely affect our business, results of operations, cash flow and financial condition. The carrying amounts of vessels held and used by us are reviewed for potential impairment when events or changes in circumstances indicate that the carrying amount of a particular vessel may not be fully recoverable. In such instances, an impairment charge would be recognized if the estimate of the undiscounted future cash flows expected to result from the use of the vessel and its eventual disposition is less than the vessel' s carrying amount. This assessment is made at the asset group level which represents the lowest level for which identifiable cash flows are largely independent of other groups of assets. The asset groups are defined by vessel size and classification. The current state of the global financial markets and economic conditions may adversely impact our ability to obtain additional financing on acceptable terms and otherwise negatively impact our business. Global financial markets can be volatile and contraction in available credit may occur as economic conditions change. In recent years, operating businesses in the global economy have faced weakening demand for goods and services, deteriorating international liquidity conditions, and declining markets which lead to a general decline in the willingness of banks and other financial institutions to extend credit, particularly in the shipping industry. As the shipping industry is highly dependent on the availability of credit to finance and expand operations, it may be negatively affected by such changes and volatility. Also, as a result of concerns about the stability of financial markets generally, and the solvency of counterparties specifically, the cost of obtaining money from the credit markets may increase if lenders increase interest rates, enact tighter lending standards, refuse to refinance existing debt at all or on terms similar to current debt, and reduce, or cease to provide funding to borrowers. Due to these factors, additional financing may not be available to the extent required, on acceptable terms or at all. If additional financing is not available when needed, or is available only on unfavorable terms, we may be unable to expand or meet our obligations as they come due or we may be unable to enhance our existing business, complete additional vessel acquisitions or otherwise take advantage of business opportunities as they arise. Credit markets in the United States and Europe have in the past experienced significant contraction, deleveraging and reduced liquidity, and there is a risk that the U. S. federal government and state governments and European authorities continue to implement a broad variety of governmental action and / or new regulation of the financial markets. Global financial markets and economic conditions have been, and continue to be, disrupted and volatile. We face risks attendant to changes in economic environments, changes in interest rates, and instability in the banking and securities markets around the world, among other factors which may have a material adverse effect on our results of operations and financial condition and may cause the price of our common shares to decline. As of December 31, ~~2022~~ **2023**, we had total outstanding indebtedness of $ ~~116~~ **100**. ~~0~~ **3** million under our various credit facilities and a further $ ~~187~~ **167**. ~~9~~ **7** million of finance lease obligations. World events could affect our operations and financial results. Past terrorist attacks, as well as the threat of future terrorist attacks around the world, continue to cause uncertainty in the world' s financial markets and may affect our business, operating results and financial condition. Continuing conflicts, instability and other recent developments in Ukraine, the Middle East and elsewhere, and the presence **and continuing military actions** of U. S. or other armed forces in **these regions** ~~Afghanistan and Syria,~~ may lead to additional acts of terrorism and armed conflict around the world, which may contribute to further economic instability in the global financial markets. Any of these occurrences could have a material adverse impact on our business, financial condition and results of operations. We face risks attendant to changes in economic and regulatory conditions around the world. We face risks attendant to changes in economic environments, changes in interest rates, increasing inflation and the resulting monetary policies of central governments, instability in the banking and securities markets and trade regulations around the world, among other factors. Major market disruptions and adverse changes in market conditions and regulatory climate in China, the United States and worldwide may adversely affect our business or impair our ability to borrow amounts under any future financial arrangements **.** Economic growth is uncertain but any slowdown, including due to supply- chain disruption, the recent surge in inflation and related actions by central banks and geopolitical conditions, with a significant risk of recession in many parts of the world in the near term. In particular, an adverse change in economic conditions affecting China, Japan, India or Southeast Asia generally could have a negative effect on the drybulk market. ~~In addition~~ **While global economic activity levels**, **led by China, generally stabilized towards** the ~~International Monetary Fund has warned that~~ **last quarter of 2023, the outlook for China and the rest of the world remains uncertain and dependent on inflation and present geopolitical instability, including the** continuing trade tensions ~~, including significant tariff increases,~~ between the United States and China **, which** could derail recovery from ~~the~~ impacts of COVID- 19 ~~. Global vaccination rates~~ and ~~effectiveness, together with~~ the **ongoing conflicts between Ukraine and Russia and Israel and Hamas** ~~development of COVID- 19 variants, could impact sustainability of this recovery, in addition to dry- bulk- specific seasonality~~. The Chinese economy differs from the economies of western countries in such respects as structure, government involvement, level of development, growth rate, capital reinvestment, allocation of resources, bank regulation, currency and monetary policy, rate of inflation and balance of payments position. Prior to 1978, the Chinese economy was a " planned economy ". Since 1978, increasing emphasis has been placed on the utilization of market forces in the development of the Chinese economy. Annual and five- year State Plans are adopted by the Chinese government in connection with the development of the economy. Although state- owned enterprises still account for a substantial portion of the Chinese industrial output, in general, the Chinese government is reducing the level of direct control that it exercises over the economy through State Plans and other measures. There is an increasing level of freedom and autonomy in areas such as allocation of resources, production, pricing and management and a gradual shift in emphasis to a " market economy " and enterprise reform. Limited price reforms were undertaken with the result that prices for certain commodities are principally determined by market forces. In addition, economic reforms may include reforms to the banking and credit sector and may produce a shift away from the export- driven growth model that has characterized the Chinese economy over the past few decades. Many of the reforms are unprecedented or experimental and may be subject to revision, change or abolition based upon the outcome of such experiments. The level of imports to and exports from China could be adversely affected by the failure to continue market reforms or changes to existing pro- export economic policies. The level of imports to and exports from China may also be adversely affected by changes in political, economic and social conditions (including a slowing of economic growth) or other relevant policies of the Chinese government, such as changes in laws, regulations or export and import restrictions, internal political instability, changes in currency policies, changes in trade policies and territorial or trade disputes. A decrease in the level of imports to and exports from China could adversely affect our business, operating results and financial condition. In recent years, China and the United States have implemented certain increasingly protective trade measures with continuing trade tensions, including significant tariff increases, between these countries. Although the United States and China successfully reached an interim trade deal in January 2020 that de- escalated the trade tensions with both sides rolling back tariffs, the extent to which the trade deal will be successfully implemented is unpredictable. A decrease in the level of imports to and exports from China could adversely affect our business, operating results and financial condition. In addition, in September 2020 President Xi Jinping committed his country to achieving carbon neutrality by 2060 at the UN General Assembly, despite that carbon emissions are currently a prominent part of China' s economic and industrial structure as it relies heavily on nonrenewable energy sources, generally lacks energy efficiency, and has a rapidly growing energy demand. Depending on how China attempts to achieve carbon neutrality by 2060, including through the reduction in the use of coal, an overall increase in the use of nonrenewable energy as part of the energy consumption mix and through other means and any reduction in the demand for coal and related products could have a material adverse effect on our business, cash flows and results of operations. We may not be able to obtain financing on acceptable terms, which may negatively impact our planned growth. As a result of concerns about the stability of financial markets generally and the solvency of counterparties specifically, the ability to obtain money from the credit markets has become more difficult as many lenders have increased interest rates, enacted tighter lending standards, refused to refinance existing debt at all or on terms similar to current debt and reduced, and in some cases ceased, to provide funding to borrowers. Due to these factors, we cannot be certain that financing will be available if needed and to the extent required, on acceptable terms. If financing is not available when needed, or is available only on unfavorable terms, we may be unable to enhance our existing business, complete additional vessel acquisitions or otherwise take advantage of business opportunities as they arise. Acts of piracy on ocean- going vessels 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, the Indian Ocean and in the Gulf of Aden off the coast of Somalia and, in particular, the Gulf of Guinea region off Nigeria, which experienced increased incidents of piracy in recent years. Sea piracy incidents continue to occur, increasingly in the Sulu Sea and the Gulf of Guinea, with drybulk vessels particularly vulnerable to such attacks. In the past, political conflicts have also resulted in attacks on vessels, mining of waterways and other efforts to disrupt international shipping **particularly in the Arabian Gulf region and most recently in the Black Sea in connection with the ongoing Ukraine- Russia conflict and in the Red Sea in connection with Israeli- Hamas conflict. Commercial vessels have been attacked in international waters in the southern Red Sea, according to statements by the U. S. military, with Yemen' s Houthi group claiming drone and missile attacks on two Israeli vessels in the area, in response to the ongoing conflict in the region** . The perception that our vessels are a potential piracy or terrorist target could have a material adverse impact on our business, financial condition and results of operations. Further, if these piracy attacks occur in regions in which our vessels are deployed that insurers characterize as " war risk " zones or by the Joint War Committee as " war and strikes " listed areas, premiums payable for such coverage could increase significantly and such insurance coverage may be more difficult to obtain, if available at all. In addition, crew costs, including costs that may be incurred to the extent we employ on- board security guards, could increase in such circumstances. We may not be adequately insured to cover losses from these incidents, which could have a material adverse effect on us. In addition, detention hijacking as a result of an act of piracy against our vessels, or an increase in cost, or unavailability of insurance for our vessels, could have a material adverse impact on our business, results of operations, cash flows and financial condition, and this may result in loss of revenues, increased costs and decreased cash flows to our customers, which could impair their ability to make payments to us under our charters. Our operations outside the United States expose us to global risks, such as political instability, terrorist attacks, international hostilities and global public health concerns, which may affect the seaborne transportation industry and adversely affect our business. We conduct most of our operations outside of the United States, and our business, results of operations, cash flows, financial condition and ability to pay dividends, if any, in the future may be adversely affected by changing economic, political and government conditions in the countries and regions where our vessels are employed or registered. Moreover, we operate in a sector of the economy that is likely to be adversely impacted by the effects of political conflicts, including the current political instability **in** Ukraine, in the Middle East and the South China Sea region and other geographic countries and areas, geopolitical events such as terrorist or other attacks, and war (or threatened war) or international hostilities, such as those between the United States and **Iran or** North Korea. Terrorist attacks as well as the frequent incidents of terrorism in the Middle East, and the continuing response of the United States and others to these attacks, as well as the threat of future terrorist attacks around the world, continues to cause uncertainty in the world' s financial markets and may affect our business, operating results and financial condition. As a result of the above, insurers have increased premiums and reduced or restricted coverage for losses caused by terrorist acts generally. These uncertainties could also adversely affect our ability to obtain additional financing on terms acceptable to us or at all. Any of these occurrences could have a material adverse impact on our operating results, revenues and costs. Further, governments may turn and have turned to trade barriers to protect their domestic industries against foreign imports, thereby depressing shipping demand. In particular, beginning in February of 2022, President Biden and several European leaders also announced various economic sanctions against Russia in connection with the aforementioned conflicts in the Ukraine region, which have continued to expand over the past **two** ~~year~~ **years** and which may adversely impact our business. The Russian Foreign Harmful Activities Sanctions program includes prohibitions on the import of certain Russian energy products into the United States, including crude oil, petroleum, petroleum fuels, oils, liquefied natural gas and coal, as well as prohibitions on all new investments in Russia by U. S. persons, among other restrictions. Furthermore, the United States has also prohibited a variety of specified services related to the maritime transport of Russian Federation origin crude oil and petroleum products, including trading / commodities brokering, financing, shipping, insurance (including reinsurance and protection and indemnity), flagging, and customs brokering. These prohibitions took effect on December 5, 2022 with respect to the maritime transport of crude oil and on February 5, 2023 with respect to the maritime transport of other petroleum products. An exception exists to permit such services when the price of the seaborne Russian oil does not exceed the relevant price cap; but implementation of this price exception relies on a recordkeeping and attestation process that allows each party in the supply chain of seaborne Russian oil to demonstrate or confirm that oil has been purchased at or below the price cap. Violations of the price cap policy or the risk that information, documentation, or attestations provided by parties in the supply chain are later determined to be false may pose additional risks adversely affecting our business. Our business could also be adversely impacted by trade tariffs, trade embargoes or other economic sanctions that limit trading activities by the United States or other countries against countries in the Middle East, Asia or elsewhere as a result of terrorist attacks, hostilities or diplomatic or political pressures. In the past, political instability has also resulted in attacks on vessels, mining of waterways and other efforts to disrupt international shipping, particularly in the Arabian Gulf region. Acts of terrorism and piracy have also affected vessels trading in regions such as the South China Sea and the Gulf of Aden off the coast of Somalia. In addition, public health threats, such as COVID- 19, influenza and other highly communicable diseases or viruses, outbreaks of which have from time to time occurred in various parts of the world in which we operate, including China, could adversely impact our operations, the timing of completion of scheduled dry- dockings and ballast water treatment system installation projects, as well as the operations of our customers. Any of these occurrences could have a material adverse impact on our future performance, results of operations, cash flows and financial position. **Outbreaks of epidemic and pandemic diseases and governmental responses thereto could adversely affect our business, financial performance, and our results of operations, including the ability to obtain charters and financing. Our operations are subject to risks related to pandemics, epidemics or other infectious disease outbreaks and government responses thereto. COVID- 19, which was initially declared a pandemic by the World Health Organization on March 11, 2020 and was declared no longer a global health emergency on May 5, 2023, negatively affected economic conditions, supply chains, labor markets, and demand for certain shipped goods.** The **extent to which our business, results of operations and financial condition may be negatively affected by the** COVID- 19 pandemic ~~and the resulting disruptions to the international shipping industry may continue to adversely affect our~~ - **or** ~~business~~ **future pandemics** , **epidemics or other outbreaks of infectious diseases is highly uncertain and will depend on numerous evolving factors that we cannot predict, including, but not limited to (i) the duration and severity of the infectious disease outbreak; (ii) the imposition of restrictive measures to combat the outbreak and slow disease transmission; (iii) the introduction of** financial ~~performance,~~ **support measures to reduce the impact of the outbreak on the economy; (iv) volatility in the demand for** and **price of oil and gas; (v) shortages** ~~our~~ - **or reductions in** ~~results of operations, including~~ the ~~ability~~ **supply of essential goods, services or labor; and (vi) fluctuations in general economic or financial conditions tied** to ~~obtain charters~~ **the outbreak, such as a sharp increase in interest rates or reduction in the availability of credit. We cannot predict the effect that** ~~and~~ - **an** ~~financing. The~~ **outbreak of a new** COVID- 19 **variant or strain, or any future infectious disease outbreak,** pandemic ~~has led a number of countries~~ **or epidemic may have on our business** , **results** ~~ports and organizations to take measures against the spread~~ of **operations** ~~COVID- 19~~ and **financial condition** ~~other communicable diseases, including travel bans, quarantines, and other emergency public health measures~~ , which **could be material** ~~resulted in a significant reduction in global economic activity~~ and ~~extreme volatility in the global financial markets. While a number of these measures have subsided, a recurrence of COVID- 19 or other pandemics may cause trade disruptions in economic activity in the future. Relatively weak global economic conditions during periods of volatility have and may continue to have a number of~~ adverse ~~consequences for dry bulk and other shipping sectors~~ . We operate our drybulk vessels in markets that have historically exhibited seasonal variations in demand and, as a result, in charter and freight rates. This seasonality may result in quarter- to- quarter volatility in our operating results, which could affect our ability to pay dividends, if any, in the future. The drybulk carrier market is typically stronger in the fall and winter months due to demand increases arising from agricultural harvest and increased coal demand in preparation for winter in the Northern Hemisphere. In addition, unpredictable weather patterns in these months tend to disrupt vessel scheduling and supplies of certain commodities. This seasonality may adversely affect our operating results and our ability to pay dividends, if any, in the future. Risks associated with operating ocean- going vessels could affect our business and reputation, which could adversely affect our revenues and the price of our common shares. The operation of ocean- going vessels carries inherent risks. These risks include the possibility of: • **a** marine **accident or** disaster; • environmental accidents **and pollution** ; • cargo and property losses or damage; • damage to the environment, including through spillage of fuel, lubricants or other chemicals and substances used in operations; • business interruptions caused by mechanical failure, human error, war, terrorism, political action in various countries, labor strikes or adverse weather conditions; and • piracy. These hazards may result in death or injury to persons, loss of revenues or property, the payment of ransoms, environmental damage, higher insurance rates, damage to our customer relationships and market disruptions, delay or rerouting, any of which may subject us to litigation. As a result, we could be exposed to substantial liabilities not recoverable under our insurances. Further, the involvement of our vessels in an environmental disaster may harm our reputation as a safe and reliable vessel owner and operator. Any of these circumstances or events could increase our costs or lower our revenues. If our vessels suffer damage, they may need to be repaired at a drydocking facility. The costs of drydock repairs are unpredictable and may be substantial. We may have to pay drydocking costs that our insurance does not cover at all or in full. The loss of revenues while these vessels are being repaired and repositioned, as well as the actual cost of these repairs, may adversely affect our business and financial condition. In addition, space at drydocking facilities is sometimes limited and not all drydocking facilities are conveniently located. We may be unable to find space at a suitable drydocking facility or our vessels may be forced to travel to a drydocking facility that is not conveniently located relative to our vessels' positions. The loss of earnings while these vessels are forced to wait for space or to travel to more distant drydocking facilities may adversely affect our business and financial condition. The operation of drybulk carriers entails certain unique operational risks. The operation of certain ship types, such as drybulk carriers, has certain unique risks. With a drybulk carrier, the cargo itself and its interaction with the ship can be a risk factor. By their nature, drybulk cargoes are often heavy, dense, easily shifted, and react badly to water exposure. In addition, drybulk carriers are often subjected to battering treatment during unloading 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 unloading procedures may be more susceptible to breach at sea. Furthermore, any defects or flaws in the design of a drybulk carrier may contribute to vessel damage. Hull breaches in drybulk carriers may lead to the flooding of the vessels holds. If a drybulk carrier suffers flooding in its holds, the bulk cargo may become so dense and waterlogged that its pressure may buckle the vessel' s bulkheads, leading to the loss of the 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, results of operations and our ability to pay dividends, if any, in the future. In addition, the loss of any of our vessels could harm our reputation as a safe and reliable vessel owner and operator. If our vessels call on ports located in countries or territories that ~~is~~ **are** the subject of sanctions or embargoes imposed by the U. S., the European Union, the United Nations, or other governmental authorities, it could lead to monetary fines or other penalties and may adversely affect our reputation and the market for our securities. Although no vessels owned or operated by us have called on ports located in countries or territories that are the subject of country- wide or territory- wide sanctions or embargoes imposed by the U. S. government or other governmental authorities (" Sanctioned Jurisdictions ") in violation of applicable sanctions or embargo laws, and we endeavor to take precautions designed to mitigate such risk, it is possible that, in the future, our vessels may call on ports located in Sanctioned Jurisdictions on our charterers' instructions and / or without our consent. If such activities result in a violation of sanctions or embargo laws, we could be subject to monetary fines, penalties, or other sanctions, and our reputation and the market for our common shares could be adversely affected. The applicable 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 expanded over time. Current or future counterparties of ours may be affiliated with persons or entities that are or may be in the future the subject of sanctions or embargoes imposed by the U. S., the EU, and / or other international bodies. If we determine that such sanctions require us to terminate existing or future contracts to which we, or our subsidiaries, are party or if we are found to be in violation of such applicable sanctions, our results of operations may be adversely affected or we may suffer reputational harm. The Company, or its respective counterparty, have cancelled certain voyages due to countries around the world imposing sanctions against Russia over its invasion of Ukraine. The Company might be subject to litigation regarding canceled voyages. Although the current market remains strong, and the Company expects to deploy vessels on other voyage and time charter arrangements, the rates achieved may not be at the same levels as the cancelled voyages. As a result of Russia' s actions in Ukraine **and the war between Israel and Hamas** , the U. S., EU and United Kingdom, together with numerous other countries, have imposed significant **economic** sanctions **which may** ~~on persons and entities associated with Russia and Belarus, as well as comprehensive sanctions on certain areas within the Donbas region of Ukraine, and such sanctions apply to entities owned or controlled by such designated persons or entities. These sanctions~~ adversely affect our ability to operate in the region and also restrict parties whose cargo we may carry. Sanctions against Russia have also placed significant prohibitions on the maritime transportation of seaborne Russian oil, the importation of certain Russian energy products and other goods, and new investments in the Russian Federation. These sanctions further limit the scope of permissible operations and cargo we may carry. Although we believe that we have been in compliance with all applicable sanctions and embargo laws and regulations, and intend to maintain such compliance, there can be no assurance that we will be in compliance 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 negatively 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 securities may adversely affect the price at which our securities trade. Additionally, some investors may decide to divest their interest, or not to invest, in our company simply because we do business with companies that do business in sanctioned countries or territories. 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 lawfully entering into charters with individuals or entities that are not controlled by the governments of countries or territories that are the subject of certain U. S. sanctions or embargo laws, or engaging in operations associated with those countries or territories pursuant to contracts with third parties that are unrelated to those countries or territories 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 the countries or territories that we operate in. We are subject to international safety regulations and the failure to comply with these regulations may subject us to increased liability, may adversely affect our insurance coverage and may result in a denial of access to, or detention in, certain ports. The operation of our vessels is affected by the requirements set forth in the United Nations' International Maritime Organization' s International Management Code for the Safe Operation of Ships and Pollution Prevention, or ISM Code. The ISM Code requires ship owners and ship managers to develop and maintain an extensive " Safety Management System " that includes the adoption of a safety and environmental protection policy setting forth instructions and procedures for safe operation for dealing with emergencies. The failure of a shipowner to comply with the ISM Code may subject it to increased liability, may invalidate existing insurance or decrease available insurance coverage for the affected vessels and may result in a denial of access to, or detention in, certain ports. Each of the vessels owned or operated by us is ISM Code- certified. In addition, vessel classification societies impose significant safety and other requirements on our vessels. In complying with current and future environmental requirements, vessel owners and operators may incur significant additional costs for maintenance and inspection requirements, in developing contingency arrangements for potential spills and in obtaining insurance coverage. Government regulation of vessels, particularly in the areas of safety and environmental protection requirements, can be expected to become stricter in the future and may require us to incur significant capital expenditures to keep our vessels in compliance **. On July 14, 2021, the European Commission formally proposed its plan to gradually include the maritime sector in the EU Emissions Trading System (" EU ETS ") from 2024 by phasing the sector into the EU ETS requirements over a three- year period. Effective January 1,**

2024, the scope of ETS has been expanded to include maritime transport emissions, with a two- year phase- in period. This will require shipowners to buy permits to cover greenhouse gas emissions and is expected to affect our vessels from January 1, 2024. The European Commission' s plan will permit vessel owners to pass the costs of compliance with the EU ETS onto charterers for vessel emissions during on- hire periods. If we are unable to pass on these additional costs to our customers during on- hire periods, this could have a material adverse effect on our financial position. During off- hire periods, we will need to develop a strategy for purchasing EU ETS allocations at favorable rates. If we are unable to obtain favorable rates or are unable to implement adequate processes to manage the purchasing and surrendering of EU ETS allocations, it could have a material adverse effect on the Company' s financial position . Our operations are subject to numerous laws and regulations in the form of international conventions and treaties, national, state and local laws and national and international regulations in force in the jurisdictions in which our vessels operate or are registered, which can significantly affect the ownership cost and operation of our vessels. These requirements include, but are not limited to, European Union Regulations, the International Convention for the Prevention of Pollution from Ships of 1975, the International Maritime Organization, or IMO, International Convention for the Prevention of Marine Pollution of 1973, the IMO International Convention for the Safety of Life at Sea of 1974, the International Convention on Load Lines of 1966, the U. S. Oil Pollution Act of 1990, or OPA, the U. S. Comprehensive Environmental Response, Compensation and Liability Act of 1980, or CERCLA, the U. S. Clean Air Act, U. S. Clean Water Act, the U. S. Marine Transportation Security Act of 2002 and the International Code for Ships Operating in Polar Waters. Compliance with such laws, regulations and standards, where applicable, may require installation of costly equipment or operational changes and may affect the resale value or useful lives of our vessels. 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 waters, 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. A failure to comply with applicable laws and regulations may result in administrative and civil penalties, criminal sanctions or the suspension or termination of our operations. Environmental laws often impose strict liability for remediation of spills and releases of oil and hazardous substances, which could subject us to liability without regard to whether we were negligent or at fault. We are required to satisfy insurance and financial responsibility requirements for potential oil (including marine fuel) spills and other pollution incidents. Although we have arranged insurance to cover certain environmental risks, there can be no assurance that such insurance will be sufficient to cover all such risks or that any claims will not have a material adverse effect on our business, results of operations, cash flows and financial condition and our ability to pay dividends. Regulations relating to ballast water discharge may adversely affect our revenues and profitability. The UN International Maritime Organization has imposed updated guidelines for ballast water management systems specifying the maximum amount of viable organisms allowed to be discharged from a vessel' s ballast water. Depending on the date of the IOPP renewal survey, existing vessels constructed before September 8, 2017 must comply with the updated D- 2 standard on or after September 8, 2019. For most vessels, compliance with the D- 2 standard will involve installing on- board systems to treat ballast water and eliminate unwanted organisms. Ships constructed on or after September 8, 2017 are to comply with the D- 2 standards on or after September 8, 2017 and the costs of compliance may be substantial and adversely affect our revenues and profitability. Furthermore, United States regulations are currently changing. Although the 2013 Vessel General Permit (" VGP ") program and U. S. National Invasive Species Act (" NISA ") are currently in effect to regulate ballast discharge, exchange and installation, the Vessel Incidental Discharge Act (" VIDA "), which was signed into law on December 4, 2018, requires that the EPA develop national standards of performance for approximately 30 discharges, similar to those found in the VGP within two years. On October 26, 2020, the EPA published a Notice of Proposed Rulemaking for Vessel Incidental Discharge National Standards of Performance under VIDA. ~~Within two years after~~ **On October 18, 2023,** the EPA ~~publishes~~ **published a supplemental notice** ~~its final Vessel Incidental Discharge National Standards~~ of ~~Performance,~~ **the proposed rule sharing new ballast water data received from** the U. S. Coast Guard **(" USCG ") and providing clarification on the proposed rule. The public comment period for the proposed rule ended on December 18, 2023. Once EPA finalizes the rule (possibly by Fall 2024), USCG** must develop corresponding implementation, compliance and enforcement regulations regarding ballast water **within two years** . The new regulations could require the installation of new equipment, which may cause us to incur substantial costs. Increased inspection procedures and tighter import and export controls could increase costs and disrupt our business. International shipping is subject to various security and customs inspections and related procedures in countries of origin, destination and trans- shipment points. Inspection procedures may result in the seizure of the contents of our vessels, delays in the loading, offloading or delivery of our vessels and the levying of customs duties, fines or other penalties against us. It is possible that changes to inspection procedures could impose additional financial and legal obligations on us. Changes to inspection procedures could also impose additional costs and obligations on our customers and may, in certain cases, render the shipment of certain types of cargo uneconomical or impractical. Any such changes or developments may have a material adverse effect on our business, financial condition and results of operations. Maritime claimants could arrest one or more of our vessels, which could interrupt our cash flow. 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 claimant may seek to obtain security for its claim by arresting a vessel through foreclosure proceedings. The arrest or attachment of one or more of our vessels could interrupt our cash flow and require us to pay large sums of money to have the arrest or attachment lifted. 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 attempt to assert " sister ship " liability against a vessel in our fleet for claims relating to another of our vessels. Governments could requisition our vessels during a period of war or emergency, resulting in a loss of earnings. A government could requisition one or more of our vessels for title or for hire. Requisition for title occurs when a government takes control of a vessel and becomes her owner, while requisition for hire occurs when a government takes control of a vessel and effectively becomes her charterer at dictated charter rates. Generally, requisitions occur during periods of war or emergency, although governments may elect to requisition vessels in other circumstances. Although we would be entitled to compensation in the event of a requisition of one or more of our vessels, the amount and timing of payment would be uncertain. Government requisition of one or more of our vessels may negatively impact our revenues and reduce the amount of dividends, if any, in the future. Changes in fuel prices may adversely affect profits. Fuel, or bunkers, is typically the largest expense of our operating business and therefore, changes in the price of fuel may adversely affect our profitability. When we operate vessels under COAs or voyage charters, we are responsible for all voyage costs, including bunkers. The price and supply of fuel can be unpredictable and fluctuates based on events outside our control, including geopolitical developments, supply and demand for oil and gas, actions by the Organization of the Petroleum Exporting Countries, or OPEC, and other oil and gas producers, war and unrest in oil producing countries and regions, regional production patterns and environmental concerns. Furthermore, fuel may become significantly more expensive in the future, which may reduce our profitability. ~~In addition, the entry into force, on January 1, 2020, of the 0. 5 % global sulfur cap in marine fuels used by vessels that are not equipped with sulfur oxide (" SOx ") exhaust gas cleaning systems (" scrubbers ") under the International Convention for Prevention of Pollution from Ships (" MARPOL ") Annex VI may lead to changes in the production quantities and prices of different grades of marine fuel by refineries and introduces an additional element of uncertainty in fuel markets, which could result in additional costs and adversely affect our cash flows, earnings and results from operations.~~ We continually monitor the market volatility associated with bunker prices and seek to hedge our exposure to changes in the price of marine fuels with our bunker hedging program. ~~(~~Please see " The Company' s Management and Discussion Analysis of Financial Condition and Results of Operations- Quantitative and Qualitative Disclosures about Market Risks- Fuel Swap Contracts. " ~~)~~We charter- in and employ vessels in a highly competitive market that is capital intensive and highly fragmented. Competition arises primarily from other vessel owners and operators, some of whom have substantially greater resources than we do. Competition for seaborne transportation of drybulk cargo by sea is intense and depends on the charter or freight rate and on the location, size, age, condition and acceptability of a vessel and its operators. Due to the highly fragmented market, competitors with greater resources are able to operate larger fleets and may be able to offer lower charter or freight rates and higher quality vessels than we are able to offer. If we are unable to successfully compete with other drybulk shipping operators, we may be unable to retain customers or attract new customers, which would have an adverse impact on our results of operations. Labor interruptions could disrupt our business. Our vessels are manned by masters, officers and crews that are contracted by our technical managers. If not resolved in a timely and cost- effective manner, industrial action or other labor unrest could prevent or hinder our operations from being carried out normally and could have a material adverse effect on our business, financial condition, results of operations and cash flows, and on our ability to pay dividends. Increasing scrutiny and changing expectations from investors, lenders and other market participants with respect to our Environmental, Social and Governance (" ESG") policies may impose additional costs on us or expose us to additional risks. Companies across all industries are facing increasing scrutiny relating to their ESG policies. Investor advocacy groups, certain institutional investors, investment funds, lenders and other market participants are increasingly focused on ESG practices and in recent years have placed increasing importance on the implications and social cost of their investments. In February 2021, the Acting Chair of the SEC issued a statement directing the Division of Corporation Finance to enhance its focus on climate- related disclosure in public company filings and in March 2021 the SEC announced the creation of a Climate and ESG Task Force in the Division of Enforcement (the " Task Force "). The Task Force' s goal is to develop initiatives to proactively identify ESG- related misconduct consistent with increased investor reliance on climate and ESG- related disclosure and investment. To implement the Task Force' s purpose, the SEC has taken several enforcement actions, with the first enforcement action taking place in May 2022, and ~~promulgated~~ **proposed** new rules. On March 21, 2022, the SEC proposed that all public companies are to include extensive climate- related information in their SEC filings. On May 25, 2022, SEC proposed a second set of rules aiming to curb the practice of" greenwashing" (i. e., making unfounded claims about one' s ESG efforts) and would add proposed amendments to rules and reporting forms that apply to registered investment companies and advisers, advisers exempt from registration, and business development companies. The increased focus and activism related to ESG and similar matters may hinder access to capital, as investors and lenders may decide to reallocate capital or to not commit capital as a result of their assessment of a company' s ESG practices. Companies which do not adapt to or comply with investor, lender or other industry shareholder expectations and standards, which are evolving, or which are perceived to have not responded appropriately to the growing concern for ESG issues, regardless of whether there is a legal requirement to do so, may suffer from reputational damage and the business, financial condition, and / or stock price of such a company could be materially and adversely affected. We may face increasing pressures from investors, lenders and other market participants, who are increasingly focused on climate change, to prioritize sustainable energy practices, reduce our carbon footprint and promote sustainability. As a result, we may be required to implement more stringent ESG procedures or standards so that our existing and future investors and lenders remain invested in us and make further investments in us, especially given the highly focused and specific trade of drybulk transportation in which we are engaged. If we do not meet these standards, our business and / or our ability to access capital could be harmed. These limitations in both the debt and equity capital markets may affect our ability to grow as our plans for growth may include accessing the equity and debt capital markets. If those markets are unavailable, or if we are unable to access alternative means of financing on acceptable terms, or at all, we may be unable to implement our business strategy, which would have a material adverse effect on our financial condition and results of operations and impair our ability to service our indebtedness. Further, it is likely that we will incur additional costs and require additional resources to monitor, report and comply with wide ranging ESG requirements. The occurrence of any of the foregoing could have a material adverse effect on our business and financial condition. Our insurance may not be adequate to cover our losses that may result from our operations due to the inherent operational risks of the seaborne transportation industry. We carry insurance to protect us against most of the accident- related risks involved in the conduct of our business, including marine hull and machinery insurance, protection and indemnity insurance, which include pollution risks, crew insurance and war risks insurance. However, we may not be adequately insured to cover all of our potential losses, which could have a material adverse effect on us. Additionally, our insurers may refuse to pay particular claims, and our insurance may be voidable by the insurers if we take, or fail to take, certain action, such as failing to maintain certification of our vessels with the applicable maritime regulatory organizations. Any significant uninsured or under- insured loss or liability could have a material adverse effect on our business, financial condition, results of operations and cash flows and our ability to pay dividends. In addition, we may not be able to obtain adequate insurance coverage at reasonable rates in the future during adverse insurance market conditions. In addition, we do not carry loss- of- hire insurance, which covers the loss of revenues during extended vessel off- hire periods, such as those that occur during an unscheduled drydocking due to damage to the vessel from accidents. Accordingly, any loss of a vessel or extended vessel off- hire, due to an accident or otherwise, could have a material adverse effect on our business, financial condition, results of operations and our ability to pay dividends. The logistics industry has its own set of risks, including infrastructure issues, operational efficiencies, lack of digital culture and training, labor relations and operational costs. We may not be able to provide logistics solutions to our customers in the face of obstacles created as a result of one of these factors. The Company has dedicated resources to developing logistics solutions for our customers. These solutions may depend on infrastructure quality and improvement, the ability to hire qualified personnel, the ability to coordinate operations, development of digital integration and collaboration with suppliers and customers, and the ability to contain costs. If we are unable to facilitate these solutions due to any of these factors, we will not be able to continue developing such solutions. Failure to comply with the U. S. Foreign Corrupt Practices Act could result in fines, criminal penalties, charter terminations and an adverse effect on our business. We may operate in a number of countries 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, as amended (the " FCPA "). We are subject, however, to the risk that we, our affiliated entities or our or their respective officers, directors, employees and agents may take actions determined to be in violation of such anti- corruption laws, including the FCPA. Any such violation could result in substantial fines, sanctions, civil and / or criminal penalties and 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. Risks Relating to Our Company Our business strategy includes chartering- in vessels, and we may not be able to charter- in suitable vessels. Our business strategy depends, in large part, on our ability to charter- in vessels. If we are not able to find suitable vessels to charter- in, or to charter- in vessels at what we deem to be a reasonable rate, we may not be able to operate profitably or perform our contractual obligations. As a result, we may need to adjust our business strategy, and we may experience material adverse effects on our business, financial condition and results of operations. In addition, if we charter- in a vessel and shipping rates subsequently decrease, or we are unable to secure employment for such a vessel, our obligation under the charter may adversely affect our financial condition and results of operations. We expect to derive a significant part of our revenue and cash flow from a relatively small number of repeat customers. For the year ended December 31, ~~2022~~ **2023** , ~~1~~ **two** ~~customer~~ **customers** accounted for more than 10 % of total revenue and all of our top ten customers, representing ~~45~~ **57** % of total revenue, are repeat customers. If one or more of our significant customers is unable to perform under one or more charters or COAs and we are not able to find a replacement charter or COA; or if a customer exercises certain rights to terminate the charter or COA, we could suffer a loss of revenues that could materially adversely affect our business, financial condition, results of operations and cash available for distribution as dividends to our shareholders. We could lose a customer or the benefits of a charter or COA if, among other things: • the customer fails to make charter payments because of its financial inability, disagreements with us or otherwise; or • the customer terminates the charter because we do not perform in accordance with such charter and do not cure such failures within a specified period. If we lose a key customer, we may be unable to obtain replacement charters or COAs on comparable terms or at all. The loss of any of our customers, COAs, charters or vessels, or a decline in payments under our agreements, could have a material adverse effect on our business, results of operations and financial condition and our ability to pay dividends to our shareholders. We are a holding company, and depend on the ability of our subsidiaries, through which we operate our business, to distribute funds to us in order to satisfy our financial obligations or to make dividend payments. We are a holding company, and our subsidiaries conduct all of our operations and own all of our operating assets. The equity interests in our vessel- owning subsidiaries represent a significant portion of our operating assets. As a result, our ability to satisfy our financial obligations and to pay dividends to our shareholders depends on the ability of our subsidiaries to generate profits available for distribution to us and, to the extent that they are unable to generate profits, we will be unable to pay dividends to our shareholders. We are subject to certain risks with counterparties on contracts and the failure of such counterparties to meet their obligations could cause us to suffer losses or otherwise adversely affect our business and ability to comply with covenants in our loan agreements. We enter into various contracts that are material to the operation of our business, including COAs, time charters and voyage charters under which we employ our vessels, and charter agreements under which we charter- in vessels. We also enter into loan agreements and hedging agreements, such as bunker swap agreements and forward freight agreements, or FFAs. Such agreements subject us to counterparty risks. The ability and willingness of each of our counterparties to perform its obligations under a contract with us will depend on a number of factors that are beyond our control, including, among other things, general economic conditions, the condition of the drybulk shipping industry, the overall financial condition of our counterparty, prevailing prices for drybulk cargoes, rates received for specific types of vessels and voyages, and various expenses. In addition, in depressed market conditions, our customers may no longer need us to carry a cargo that is currently under contract or may be able to obtain carriage at a lower rate. If our customers fail to meet their obligations to us or attempt to renegotiate our agreements, it may be difficult to secure suitable substitute employment for the vessel, and any new charter arrangements we secure may be at lower rates or, if our counterparties fail to deliver a vessel we have agreed to charter- in, or if a counterparty otherwise fails to honor its obligations to us under a contract, we could sustain significant losses, which could have a material adverse effect on our business, financial condition, results of operations, cash flows, ability to pay dividends to holders of our common shares in the amounts anticipated or at all and compliance with covenants in our secured loan agreements. Charterers are sensitive to the commodity markets and may be impacted by market forces affecting commodities and / or uncertain industry conditions. In ~~addition, in~~ depressed market conditions, charterers may have incentive to renegotiate their charters or default on their obligations under charters. Should a charterer in the future 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 on the spot market or on charters may be at lower rates, depending on the then existing charter rate levels, compared to the rates currently being charged for our vessels. In addition, if the charterer of a vessel in our fleet that is used as collateral under one or more of our loan agreements defaults on its charter obligations to us, such default may constitute an event of default under our loan agreements, which may allow the bank to exercise remedies under our loan agreements. Although we assess the creditworthiness of our counterparties, a prolonged period of difficult industry conditions could lead to changes in a counterparty' s liquidity and increase our exposure to credit risk and bad debts. In addition, we may offer extended payment terms to our customers in order to secure contracts, which may lead to more frequent collection issues and adversely affect our financial results and liquidity. Additionally, we are subject to certain risks as a result of using our vessels as collateral. If we are in breach of financial covenants contained in our loan agreements, we may not be successful in obtaining waivers and amendments. If our indebtedness is accelerated, it may be difficult in the current financing environment for us to refinance our debt or obtain additional financing and we could lose our vessels if our lenders foreclose on their liens. We may be unable to comply with covenants in our credit facilities or any financial obligations that impose operating and financial restrictions on us. Our credit facilities and finance leases, which are secured by mortgages on our vessels, impose certain operating and financial restrictions on us, mainly to ensure that the market value of the mortgaged vessel under the applicable credit facility does not fall below a certain percentage of the outstanding amount of the loan, which we refer to as the collateral maintenance or loan to value ratio. In addition, certain of our credit facilities include other financial covenants, which require us to, among other things, maintain: • a consolidated leverage ratio of not more than 200 %; • a consolidated debt service coverage ratio of not less than 120 %; • Minimum consolidated net worth of $ 45 million plus, with respect to any vessel purchased or leased by the Guarantor or its subsidiaries, for so long as such vessels are legally or economically owned, 25 % of the purchase price or (finance) lease amount of such vessels; • consolidated minimum liquidity of not less than $ 18 million. In general, the operating restrictions that are contained in our credit facilities may prohibit or otherwise limit our ability to, among other things: • effect changes in management of our vessels; • sell or dispose of any of our assets, including our vessels; • declare and pay dividends; • incur additional indebtedness; • mortgage our vessels; and • incur and pay management fees or commissions. Non- compliance with any of our financial covenants or operating restrictions contained in our credit facilities may constitute an event of default under our credit facilities, which, unless cured within the grace period set forth under the applicable credit facility, if applicable, or waived or modified by our lenders, provides our lenders with the right to, among other things, require us to post additional collateral, enhance our equity and liquidity, increase our interest payments, pay down our indebtedness to a level where we are in compliance, sell vessels in our fleet, reclassify our indebtedness as current liabilities, accelerate our indebtedness, or foreclose their liens on our vessels and the other assets securing the credit facilities, which would impair our ability to continue to conduct our business. As of December 31, ~~2022~~ **2023**, we are in compliance with covenants contained in our debt agreements. Please read " Management' s Discussion and Analysis of Financial Condition and Results of Operations- Liquidity and Capital Resources- Borrowing Activities. " Furthermore, certain of our credit facilities contain a cross- default provision that may be triggered by a default under one of our other credit facilities. A cross- default provision means that a default on one loan would result in a default on certain other loans. Because of the presence of cross- default provisions in certain of our credit facilities, the refusal of any one lender under our credit facilities to grant or extend a waiver could result in certain of our indebtedness being accelerated. If our secured indebtedness is accelerated in full or in part, it would be very difficult in the current financing environment for us to refinance our debt or obtain additional financing and we could lose our vessels and other assets securing our credit facilities if our lenders foreclose their liens, which would adversely affect our ability to conduct our business. We may be unable to effectively manage our growth strategy. One of our principal business strategies is to continue to expand capacity and flexibility by increasing our owned fleet as we secure additional demand for our services. Our growth strategy will depend upon a number of factors, some of which may not be within our control. These factors include our ability to: • enter into new contracts for the transportation of cargoes; • develop customized logistics solutions within targeted dry bulk trades; • locate and acquire suitable vessels for acquisitions at attractive prices; • obtain required financing for our existing and new operations; • integrate any acquired vessels successfully with our existing operations, including obtaining any approvals and qualifications necessary to operate vessels that we acquire; • enhance our customer base; • hire, train and retain qualified personnel and crew to manage and operate our growing business and fleet; • identify additional new markets; and • improve our operating, financial and accounting systems and controls. We may undertake future financings to finance our growth. Our failure to effectively identify, purchase, develop and integrate any vessels could adversely affect our business, financial condition and results of operations. The number of employees that perform services for us and our current operating and financial systems may not be adequate as we implement our plan to expand the size of our fleet, and we may not be able to effectively hire more employees or adequately improve those systems. Finally, acquisitions may require additional equity issuances or debt issuances (with amortization payments), both of which could lower our available cash. If any such events occur, our financial condition may be adversely affected. Growing any business presents numerous risks such as difficulty in obtaining additional qualified personnel and managing relationships with customers and suppliers. The expansion of our fleet may impose significant additional responsibilities on our management and staff, and may necessitate that we increase the number of personnel. We cannot give any assurance that we will be successful in executing our growth plans or that we will not incur significant expenses and losses in connection with our future growth. Investment in forward freight agreements and other derivative instruments could result in losses. We manage our market exposure using forward freight agreements, or FFAs, and other derivative instruments, such as bunker hedging contracts. FFAs are cash- settled derivative contracts based on future freight delivery rates and other derivative instruments. FFAs may be used to hedge exposure to the changing rates by providing for the purchase or sale of a contracted charter rate along a specified route or combination of routes and over a specified period of time. Upon settlement, if the contracted charter rate is less than the settlement rate, the seller of the FFA is required to pay the buyer an amount equal to the difference between the contracted rate and the settlement rate, multiplied by the number of days in the specified period. Conversely, if the contracted rate is greater than the settlement rate, the buyer is required to pay the seller the settlement sum. If we take positions in FFAs and do not correctly anticipate rate movements for the specified vessel route or routes and relevant time period or our assumptions regarding the relative relationships of certain vessels' earnings, routes and other factors relevant to the FFA markets are incorrect, we could suffer losses in settling or terminating our FFAs. In addition, we normally do not designate our FFAs for special hedge accounting and, as such, our use of such derivatives may lead to material fluctuations in our results of operations. We also seek to manage our exposure to volatility in the market price of bunkers by entering into bunker hedging contracts. There can be no assurance that we will be able to successfully limit our risks, leaving us exposed to unprofitable contracts and we may suffer significant losses from these hedging activities. Our long- term COAs, single charter bookings and time- charter agreements may result in significant fluctuations in our quarterly results, which may adversely affect our liquidity, as well as our ability to satisfy our financial obligations. As part of our business strategy, we enter into long- term COAs, single charter bookings and time- charter agreements. We evaluate entering into long- term positions based on the expected return over the full term of the contract. However, long- term contracts that we believe provide attractive returns over their full term may produce losses over portions of the contract period. We may be required to provide additional margin collateral in connection with FFA positions that are settled through clearinghouses, depending upon movements in the FFA markets. These interim losses, fluctuations in our quarterly results or incremental collateral requirements may adversely affect our financial liquidity, as well as our ability to satisfy our financial obligations. We depend on COAs, which could require us to operate at unfavorable rates for a certain amount of time or subject us to other operating risks. A significant portion of our revenues are derived from COAs. While COAs provide a relatively stable and predictable source of revenue, they typically fix the rate we are paid for our drybulk shipping services. Once we have entered into a COA, if we have not correctly anticipated vessel rates, location and availability for our owned or chartered- in fleet to fulfill the COA, we could suffer losses. Moreover, factors beyond our control may cause a COA to become unprofitable. Nevertheless, we would be obligated to continue to perform for the term of the COA. In addition, factors beyond our control, such as vessel availability, port delays, changes in government or industry rules or regulation, industrial actions or acts of terrorism or war, could affect our ability to perform our obligations under our COAs, which could result in breach of contract or other claims by our COA counterparties. Any of these occurrences could have a material adverse effect on our business, financial condition and results of operations and financial condition. We are a " smaller reporting company " and an" accelerated filer" and we cannot be certain if the reduced disclosure requirements applicable to smaller reporting companies will make our common shares less attractive to investors. We are a " smaller reporting company, " as defined in the Securities Act of 1934, and may choose to rely on scaled disclosure requirements available to smaller reporting companies. On June 28, 2018, the Commission adopted amendments to the definition of " smaller reporting company " that became effective on September 10, 2018. Under the new definition, generally, a company qualifies as a " smaller reporting company " if it has public float of less than $ 250 million; or it has less than $ 100 million in annual revenues and no public float or public float of less than $ 700 million. The scaled disclosure requirements for smaller reporting companies permit us to include less extensive narrative disclosure than required of other reporting companies, particularly in the description of executive compensation and to provide audited financial statements for two fiscal years, in contrast to other reporting companies, which must provide audited financial statements for three fiscal years. Investors may find our common shares and the price of our common shares less attractive because we rely, or may rely, on these exemptions. If some investors find our common shares less attractive as a result, there may be a less active trading market for our common shares and the price of our common shares may be more volatile. We are subject to the reporting requirements of the Securities Exchange Act of 1934, as amended, or the Exchange Act, and the rules and regulations of the SEC, including Sarbanes- Oxley, and requirements of the NASDAQ Global Select Market. These requirements and rules may place a strain on our systems and resources. For example, the Exchange Act requires that we file annual, quarterly and current reports with respect to our business and financial condition and Sarbanes- Oxley requires that we document and maintain effective disclosure controls and procedures and internal control over financial reporting. These reporting and other obligations place significant demands on our management, administrative, operational and accounting resources and we incur significant legal, accounting and other expenses as a result. The expenses incurred by public companies, generally, for reporting and corporate governance purposes have been increasing and the costs we incur for such purposes may strain our resources. We may implement additional financial and management controls and procedures, reporting and business intelligence systems, create or outsource an internal audit function, or hire additional accounting and finance staff. If we are unable to accomplish these objectives in a timely and effective fashion, our ability to comply with the financial reporting requirements and other rules that apply to reporting companies could be impaired. In addition, our limited management resources may exacerbate the difficulties in complying with these reporting and other requirements while focusing on executing our business strategy. Our incremental general and administrative expenses as a publicly traded corporation include costs associated with preparing reports to shareholders, tax returns, investor relations, registrar and transfer agent' s fees, incremental director and officer liability insurance costs and director compensation. Any failure to maintain effective internal control over financial reporting could have a material adverse effect on our business, prospects, liquidity, results of operations and financial condition. Furthermore, if we are unable to satisfy our obligations as a public company, we could be subject to delisting of our common shares, fines, sanctions and other regulatory action. A failure to pass inspection by classification societies could result in vessels being unemployable until they pass inspection, resulting in a loss of revenues from such vessels for that period. The hull and machinery of every commercial vessel must be classed by a classification society authorized by its country of registry. The classification society certifies that a vessel is safe and seaworthy in accordance with the applicable rules and regulations of the country of registry of the vessel and the United Nations Safety of Life at Sea Convention. Our owned fleet is currently enrolled with DNV GL Group (DNV), and Nippon Kaiji Kyokai (NK). A vessel must undergo annual surveys, intermediate surveys and special surveys. In lieu of a special survey, a vessel' s machinery may be on a continuous survey cycle, under which the machinery would be surveyed periodically over a five- year period. Our vessels are on special survey cycles for hull inspection and continuous survey cycles for machinery inspection. Every vessel must undergo regulatory surveys of its underwater parts every 30 to 60 months. If a vessel fails any annual survey, intermediate survey or special survey, the vessel may be unable to trade between ports and, therefore, would be unemployable, potentially causing a negative impact on our revenues due to the loss of revenues from such vessel until it was able to trade again. As part of our current business strategy to increase our owned fleet, we may acquire new and secondhand vessels. While we rigorously inspect previously owned or secondhand vessels prior to purchase, this does not provide us with the same knowledge about their condition and cost of any required (or anticipated) repairs that we would have had if these vessels had been built for and operated exclusively by us. Accordingly, we may not discover defects or other problems with secondhand vessels prior to purchasing or chartering- in, or may incur costs to terminate a purchase agreement. Any such hidden defects or problems may require us to put a vessel into drydock, which would reduce our fleet utilization and increase our operating costs. If a hidden defect or problem is not detected, it may result in accidents or other incidents for which we may become liable to third parties. In general, the costs to maintain a vessel in good operating condition increase with the age of the vessel. Older vessels are typically less fuel- efficient than more recently constructed vessels due to improvements in engine technology. Cargo insurance rates increase with the age of a vessel, making older vessels less desirable to charterers. Furthermore, governmental regulations, safety or other equipment standards related to the age of vessels may require expenditures for alterations, or the addition of new equipment and may restrict the type of activities in which the vessel 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. Unless we set aside reserves or are able to borrow funds for vessel replacement, we will be unable to replace the vessels in our fleet at the end of their useful lives. We estimate the useful life of our vessels to be 25 or 30 years from the date of initial delivery from the shipyard. The remaining estimated useful lives of our vessels range from 11 to ~~24~~ **23** years, depending on the age and type of vessel. The average age of our owned drybulk carriers at the time of this filing is approximately ~~9~~ **10** years. A portion of our cash flows and income are dependent on the revenues earned by employing our vessels. If we are unable to replace the vessels in our fleet at the end of their useful lives, our business, results of operations, financial condition and ability to pay dividends could be materially and adversely affected. We currently do not maintain reserves for vessel replacements. We intend to finance vessel replacements from internally generated cash flow, borrowings under our credit facilities or additional equity or debt offerings. Our ability to obtain additional debt financing, or to refinance existing indebtedness, may be dependent on the performance and length of our COAs and charters, and the creditworthiness of our contract counterparties. The performance and length of our COAs and charters and the actual or perceived credit quality of our contract counterparties, and any defaults by them, may materially affect our ability to obtain the additional capital resources required to purchase additional vessels or may significantly increase our costs of obtaining such capital. Our inability to obtain additional financing on acceptable terms or at all may materially affect our results of operations and our ability to implement our business strategy. We have and may continue to partially finance the acquisition of vessels with borrowings drawn under credit facilities or finance lease obligations. While we may refinance amounts drawn under our credit facilities with the net proceeds of future debt and equity offerings, we cannot assure you that we will be able to do so at interest rates and on terms that are acceptable to us or at all. If we are not able to refinance these amounts with the net proceeds of debt and equity offerings at an interest rate or on terms acceptable to us or at all, we will have to dedicate a larger portion of our cash flow from operations to pay the principal and interest of this indebtedness. If we are not able to satisfy these obligations, we may have to undertake alternative financing plans or sell vessels. The actual or perceived credit quality of our contract counterparties, any defaults by them and the market value of our fleet, among other things, may materially affect our ability to obtain alternative financing. In addition, debt service payments under our credit facilities, finance lease obligations or alternative financing may limit funds otherwise available for working capital, capital expenditures, the payment of dividends and other purposes. If we are unable to meet our debt obligations, or if we otherwise default under our credit facilities or alternative financing arrangements, our lenders could declare the debt, together with accrued interest and fees, to be immediately due and payable and foreclose on our fleet, which could result in the acceleration of other indebtedness that we may have at such time and the commencement of similar foreclosure proceedings by other lenders. We depend on the efforts, knowledge, skill, reputations and business contacts of our Chief Executive Officer, Mark Filanowski, our Chief Financial Officer, Gianni Del Signore, our Chief Operating Officer, Mads Boye Petersen and other key employees. Accordingly, our success will depend on the continued service of these individuals. We do not have employment agreements with our executive officers or employees. We may experience departures of senior executive officers and other key employees, and we cannot predict the impact that any of their departures would have on our ability to achieve our financial objectives. The loss of the services of any of them could have a material adverse effect on our business, results of operations and financial condition. We may generate our revenues and incur some of our operating expenses and general and administrative expenses in currencies other than the U. S. dollar. This difference could lead to fluctuations in our revenues and vessel operating expenses, which would affect our financial results. Expenses incurred in foreign currencies

increase when the value of the U. S. dollar falls, which would reduce our profitability. Our operating results could suffer as a result. We may be subject to litigation, arbitration and other proceedings that could have an adverse effect on our business We may be, from time to time, involved in various litigation matters arising in the ordinary course of business, or otherwise. These matters may include, among other things, contract disputes, personal injury claims, environmental matters, governmental claims for taxes or duties, securities, or maritime matters. The potential costs to resolve any claim or other litigation matter, or a combination of these, may have a material adverse effect on us because of potential negative outcomes, the costs associated with asserting our claims or defending such lawsuits, and the diversion of management' s attention to these matters. A foreign corporation will be treated as a " passive foreign investment company, " or a PFIC, for United States 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. " United States shareholders of a PFIC are subject to a disadvantageous United States 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 on our proposed method of operation, we do not expect that we will be a PFIC with respect to any taxable year. In this regard, we intend to treat the gross income we derive or are deemed to derive from our time chartering activities as services income, rather than rental income. Accordingly, we believe that our income from our time chartering activities does not constitute " passive income, " and the assets that we own and operate in connection with the production of that income do not constitute assets that produce, or are held for the production of, passive income for purposes of determining whether the Company is a PFIC. There is, however, no direct legal authority under the PFIC rules addressing our proposed characterization of income for United States federal income tax purposes. Accordingly, in the absence of any legal authority specifically relating to the United States Internal Revenue Code of 1986, as amended, or the " Code, " provisions governing PFICs, the IRS or a court could disagree with our position. Moreover, although we intend to conduct our operations in such a manner as to avoid being classified as a PFIC, there can be no assurance that we would not constitute a PFIC for any future taxable year if there were to be changes in the nature and extent of our operations. If the IRS were to find that we are or have been a PFIC for any taxable year, our United States shareholders will face adverse United States tax consequences. Under the PFIC rules, unless those shareholders make an election available under the Code (which election could itself have adverse consequences for such shareholders, such shareholders would be liable to pay United States 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 our common shares, as if the excess distribution or gain had been recognized ratably over the shareholder' s holding period of our common shares. Based on our current and expected composition of assets and income, it is not anticipated that we will be treated as a PFIC. Actual PFIC status for any taxable year, however, will not be determinable until after the end of such taxable year. Accordingly, there can be no assurances regarding our status as a PFIC for the current taxable year or any future taxable year. United States Shareholders are urged to consult with their own tax advisors regarding the possible application of the PFIC rules. We may have to pay tax on United States source income, which would reduce our earnings **.** Under sections 863 (c) (3) and 887 (a) of the Code, 50 % of the gross shipping income of a vessel owning or chartering corporation, such as ourselves and our subsidiaries, that is attributable to transportation that begins or ends, but that does not both begin and end, in the United States may be subject to a 4 % United States 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. If we or our subsidiaries are not entitled to exemption under section 883 for any taxable year, we or our subsidiaries could be subject for those years to an effective 2 % United States federal income tax on the shipping income these companies derive during the year that are 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. **Changes in tax laws and unanticipated tax liabilities could materially and adversely affect the taxes we pay, results of operations and financial results. We are subject to income and other taxes in the United States and foreign jurisdictions, and our results of operations and financial results may be affected by tax and other initiatives around the world. For instance, there is a high level of uncertainty in today' s tax environment stemming from global initiatives put forth by the Organisation for Economic Co- operation and Development' s (" OECD ") two- pillar base erosion and profit shifting project. In October 2021, members of the OECD put forth two proposals: (i) Pillar One reallocates profit to the market jurisdictions where sales arise versus physical presence; and (ii) Pillar Two compels multinational corporations with € 750 million or more in annual revenue to pay a global minimum tax of 15 % on income received in each country in which they operate. The reforms aim to level the playing field between countries by discouraging them from reducing their corporate income taxes to attract foreign business investment. Over 140 countries agreed to enact the two- pillar solution to address the challenges arising from the digitalization of the economy and, in 2024, these guidelines were declared effective and must now be enacted by those OECD member countries. It is possible that these guidelines, including the global minimum corporate tax rate measure of 15 %, could increase the burden and costs of our tax compliance, the amount of taxes we incur in those jurisdictions and our global effective tax rate, which could have a material adverse impact on our results of operations and financial results.**
Information technology failures and data security breaches, including as a result of cybersecurity attacks, could negatively impact our results of operations and financial condition, subject us to increased operating costs, and expose us to litigation. We rely on our computer systems and network infrastructure across our operations, including on our vessels. The safety and security of our vessels and efficient operation of our business, including processing, transmitting and storing electronic and financial

information, are dependent on computer hardware and software systems. Our vessels rely on information systems for a significant part of their operations, including navigation, provision of services, propulsion, machinery management, power control, communications and cargo management. Despite our implementation of security and back- up measures, all of our technology systems are vulnerable to damage, disability or failures due to physical theft, fire, power loss, telecommunications failure, operational error, or other catastrophic events. Our technology systems are also subject to cybersecurity attacks including malware, other malicious software, phishing email attacks, attempts to gain unauthorized access to our data, the unauthorized release, corruption or loss of our data, loss or damage to our data delivery systems, and other electronic security breaches. In addition, as we continue to grow the volume of transactions in our businesses, our existing IT systems infrastructure, applications and related functionality may be unable to effectively support a larger scale operation, which can cause the information being processed to be unreliable and impact our decision- making or damage our reputation with customers. Despite our efforts to ensure the integrity of our systems and prevent future cybersecurity attacks, it is possible that our business, financial and other systems could be compromised, especially because such attacks can originate from a wide variety of sources including persons involved in organized crime or associated with external service providers. Those parties may also attempt to fraudulently induce employees, customers or other users of our systems to disclose sensitive information in order to gain access to our data or use electronic means to induce the company to enter into fraudulent transactions. A successful cyber- attack could materially disrupt our operations, including the safety of our vessel operations. Past and future occurrences of such attacks could damage our reputation and our ability to conduct our business, impact our credit and risk exposure decisions, cause us to lose customers or revenues, subject us to litigation and require us to incur significant expense to address and remediate or otherwise resolve these issues, which could have a material adverse effect on our business, financial condition, results of operations and cash flows. Further, data protection laws apply to us in certain countries in which we do business. Specifically, the EU General Data Protection Regulation, or GDPR, which was applicable beginning May 2018, increases penalties up to a maximum of 4 % of global annual turnover for breach of the regulation. The GDPR requires mandatory breach notification, the standard for which is also followed outside the EU (particularly in Asia). Non- compliance with data protection laws could expose us to regulatory investigations, which could result in fines and penalties. In addition to imposing fines, regulators may also issue orders to stop processing personal data, which could disrupt operations. We could also be subject to litigation from persons or corporations allegedly affected by data protection violations. Violation of data protection laws is a criminal offense in some countries, and individuals can be imprisoned or fined. Any violation of these laws or harm to our reputation could have a material adverse effect on our earnings, cash flows and financial condition. Moreover, ~~cyberattacks against the Ukrainian government~~ **our risk of cyber- attack** and other ~~countries in~~ **sources of security breaches and incidents may be elevated as a result of** the **ongoing** ~~region have been reported in connection with the recent~~ conflicts between Russia and Ukraine **and the Israel- Hamas conflict** . To the extent such attacks have collateral effects on global critical infrastructure or financial institutions, such developments could adversely affect our business, operating results and financial condition. At this time, it is difficult to assess the likelihood of such threat and any potential impact ~~at this time~~ . ~~A cyber- attack could~~ **Further, in July 2023, the SEC adopted amendments to its rules on cybersecurity risk management, strategy, governance, and incident disclosure. The amendments require us to report** ~~materially~~ -- **material cybersecurity incidents involving** ~~disrupt our business. Our business operations could be targeted by individuals or groups seeking to sabotage or disrupt~~ our information ~~technology~~ systems and ~~networks,~~ **periodic reporting regarding** ~~or~~ **our policies and procedures** to **identify and manage cybersecurity risks** ~~steal data. A successful cyber- attack could materially disrupt our operations~~ , **amongst** ~~including the safety of our operations, or lead to unauthorized release of information or alteration of information on our systems. Any such attack or~~ other **disclosures** ~~breach of our information technology systems could have a material adverse effect on our business, financial condition, results of operations and cash flows~~ . Risks Related To Our Common Shares Future sales of our common shares could cause the market price of our common shares to decline. The market price of our common shares could decline due to sales of a large number of shares in the market, including sales of shares by our large shareholders, or the perception that these sales could occur. These sales could also make it more difficult or impossible for us to sell equity securities in the future at a time and price that we deem appropriate to raise funds through future offerings of common shares. We may need to raise additional capital in the future, which may not be available on favorable terms or at all or which may dilute our common shares or adversely affect its market price. We may require additional capital to expand our business and increase revenues, add liquidity in response to negative economic conditions, meet unexpected liquidity needs caused by industry volatility or uncertainty and reduce our outstanding indebtedness under our existing facilities. To the extent that our existing capital and borrowing capabilities are insufficient to meet these requirements and cover any losses, we will need to raise additional funds through debt or equity financings, including offerings of our common shares, securities convertible into our common shares, or rights to acquire our common shares, or curtail our growth and reduce our assets or restructure arrangements with existing security holders. Any equity or debt financing, or additional borrowings, if available at all, may be on terms that are not favorable to us. Equity financings could result in dilution to our shareholders, as described further below, and the securities issued in future financings may have rights, preferences and privileges that are senior to those of our common shares. If our need for capital arises because of significant losses, the occurrence of these losses may make it more difficult for us to raise the necessary capital. If we cannot raise funds on acceptable terms if and when needed, we may not be able to take advantage of future opportunities, grow our business or respond to competitive pressures or unanticipated requirements. Future issuances of our common shares could dilute our shareholders' interests in our company. We may, from time to time, issue additional common shares to support our growth strategy, reduce debt or provide us with capital for other purposes that our Board of Directors believes to be in our best interest. To the extent that an existing shareholder does not purchase additional shares that we issue, that shareholder' s interest in our company will be diluted, which means that its percentage of ownership in our company will be reduced. Following such a reduction, that shareholder' s common shares would represent a smaller percentage of the vote in our Board of Directors' elections and other shareholder decisions. Volatility in the market price and trading volume of our common shares could adversely impact the trading price of our common shares. The stock market in recent years has experienced significant price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of companies like us. These broad market factors may materially reduce the market price of our common shares, regardless of our operating performance. The market price of our common shares, which has experienced significant price fluctuations in the past twelve months, could continue to fluctuate significantly for many reasons, including in response to the risks described herein or for reasons unrelated to our operations, such as reports by industry analysts, investor perceptions or negative announcements by our competitors or suppliers regarding their own performance, as well as industry conditions and general financial, economic and political instability. Classified Board of Directors. Our Board of Directors is divided into three classes serving staggered, three- year terms. This classified board provision could discourage a third party from making a tender offer for our shares or attempting to obtain control of us. It could also delay shareholders who do not agree with the policies of our Board of Directors from removing a majority of our Board of Directors for up to two years. We are incorporated in Bermuda and it may not be possible for our investors to enforce U. S. judgments against us. We are incorporated in Bermuda and substantially all of our assets are located outside the United States. In addition, one of our directors is a non- resident of the United States, and all or a substantial portion of such director' s assets are located outside the United States. As a result, it may be difficult or impossible for U. S. investors to serve process within the United States, upon us or our directors and executive officers, or to enforce a judgment against us for civil liabilities in United States courts. In addition, you should not assume that courts in the countries in which we are incorporated or where our assets are located would enforce judgments of United States courts obtained in actions against us based upon the civil liability provisions of applicable United States federal and state securities laws or would enforce, in original actions, liabilities against us based on those laws. Because we are a foreign corporation, you may not have the same rights that a shareholder in a U. S. corporation may have. We are a Bermuda exempted company. Our memorandum of association and bye- laws and the Companies Act, 1981 of Bermuda, or the Companies Act, govern our affairs. The Companies Act does not as clearly establish your rights and the fiduciary responsibilities of our directors as do statutes and judicial precedent in some United States jurisdictions. Therefore, you may have more difficulty in protecting your interests as a shareholder in the face of actions by the management, directors or controlling shareholders than would shareholders of a corporation incorporated in a United States jurisdiction. There is a statutory remedy under Section 111 of the Companies Act which provides that a shareholder may seek redress in the courts as long as such shareholder can establish that our affairs are being conducted, or have been conducted, in a manner oppressive or prejudicial to the interests of some part of the shareholders, including such shareholder. However, you may not have the same rights that a shareholder in a United States corporation may have.