

TOP SHIPS INC.  
Form 424B5  
March 27, 2017  
Filed Pursuant to Rule 424(b)(5)

Prospectus Supplement  
(to the Prospectus dated February 1, 2017)      Registration No. 333-215577

Up to \$12,540,867 of Common Stock and  
\$188,991 of Shares of Common Stock as Commitment Shares

TOP SHIPS INC.

This prospectus supplement and accompanying prospectus relate to the issuance and sale of:

Up to \$12.5 million of shares of our common stock that we may sell from time to time to Kalani Investments Limited, or the Investor, over the next 22 months under an amended purchase agreement, of which \$6.9 million of common shares have already been sold. Effective March 27, 2017, we entered into a second amendment to the initial purchase agreement, which we refer to as the Second Amendment, to increase the aggregate amount of our common shares that may be sold. We refer to the initial purchase agreement, as amended, the Purchase Agreement.

\$188,991 of shares of our common stock as a commitment fee in consideration for entering into the Purchase Agreement, of which \$104,991 of common shares have already been issued.

This prospectus supplement and accompanying prospectus also cover the resale of these shares by the Investor to the public. The Investor may offer all or part of these shares for resale from time to time through public or private transactions, at either prevailing market prices or at privately negotiated prices. We provide more information about how the Investor may sell its shares of common stock in the section titled "Plan of Distribution" on page S-24. The Investor is an "underwriter" within the meaning of Section 2(a)(11) of the Securities Act of 1933, as amended, or the Securities Act.

Our common shares are listed on The Nasdaq Capital Market, or Nasdaq, under the symbol "TOPS". The last reported sale price of our common shares on Nasdaq on March 24, 2017 was \$1.16 per share. We have sold 7,398,304 common shares and issued 79,631 common shares as a commitment fee pursuant to General Instruction I.B.5 of Form F-3 during the twelve calendar month period that ends on and includes the date of this prospectus supplement and the aggregate value of the common shares sold including the value of the commitment shares was \$7,033,046. The aggregate market value of our common shares held by non-affiliates pursuant to General Instruction I.B.5 of Form F-3 is \$38,270,215, which was calculated based on 11,885,160 of our common shares outstanding and held by non-affiliates as of the date of this prospectus supplement and a price of \$3.22 per share, the closing price of our common shares on February 17, 2017. As a result, we are currently eligible to offer and sell up to an aggregate of an additional \$5,723,693 of our common shares pursuant to General Instruction I.B.5 of Form F-3.

Investing in our common stock involves a high degree of risk. Please see the section entitled "Risk Factors" on page S-9 of this prospectus supplement and the risk factors beginning on page 4 of the accompanying prospectus for certain risks and uncertainties you should consider.

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

The date of this prospectus supplement is March 27, 2017.

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## ABOUT THIS PROSPECTUS SUPPLEMENT

This prospectus supplement and the accompanying prospectus are part of a registration statement that we filed with the U.S. Securities and Exchange Commission, or the Commission, utilizing a "shelf" registration process. This document is in two parts. The first part is this prospectus supplement, which describes the specific terms of this offering and the common stock offered hereby and also adds to and updates information contained in the accompanying prospectus and the documents incorporated by reference into this prospectus supplement and the accompanying prospectus. The second part, the accompanying base prospectus, gives more general information and disclosure about our securities that we may offer from time to time, some of which does not apply to this offering of common stock offered hereby. When we refer to the prospectus, we are referring to both parts combined, and when we refer to the accompanying prospectus, we are referring to the base prospectus.

If the description of this offering varies between this prospectus supplement and the accompanying prospectus, you should rely on the information in this prospectus supplement. This prospectus supplement, the accompanying prospectus and the documents incorporated into each by reference include important information about us and our common stock being offered and other information you should know before investing. You should read this prospectus supplement and the accompanying prospectus together with the additional information described under the heading, "Where You Can Find Additional Information" in this prospectus supplement and the accompanying prospectus before investing in our common stock.

Any statement made in this prospectus or in a document incorporated or deemed to be incorporated by reference into this prospectus will be deemed to be modified or superseded for purposes of this prospectus to the extent that a statement contained in this prospectus supplement or in any other subsequently filed document that is also incorporated by reference into this prospectus modifies or supersedes that statement. Any statement so modified or superseded will not be deemed, except as so modified or superseded, to constitute a part of this prospectus.

You should rely only on the information contained in or incorporated by reference in this prospectus supplement, the accompanying prospectus and any free writing prospectus relating to this offering. We have not authorized anyone to provide you with information that is different. If anyone provides you with different or inconsistent information, you should not rely on it. We are offering to sell the common stock offered hereby only in jurisdictions where offers and sales are permitted. The information contained in or incorporated by reference in the prospectus is accurate only as of the date such information was issued, regardless of the time of delivery of the prospectus or any sale of the common stock offered hereby.

## CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

The Private Securities Litigation Reform Act of 1995 provides safe harbor protections for forward-looking statements in order to encourage companies to provide prospective information about their business. Forward-looking statements include statements concerning plans, objectives, goals, strategies, future events or performance, and underlying assumptions and other statements, which are other than statements of historical facts.

We desire to take advantage of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 and are including this cautionary statement in connection with this safe harbor legislation. This document and any other written or oral statements made by us or on our behalf may include forward-looking statements, which reflect our current views with respect to future events and financial performance. The words "anticipate," "believe," "expect," "intend," "estimate," "forecast," "project," "plan," "potential," "may," "should," and similar expressions identify forward-looking statements. We caution that assumptions, expectations, projections, intentions and beliefs about future events may and often do vary from actual results and the differences can be material.

The forward-looking statements in this prospectus are based upon various assumptions, many of which are based, in turn, upon further assumptions, including without limitation, management's examination of historical operating trends,

data contained in our records and other data available from third parties. Although we believe that these assumptions were reasonable when made, because these assumptions are inherently subject to significant uncertainties and contingencies that are difficult or impossible to predict and are beyond our control, we cannot assure you that we will achieve or accomplish the expectations, beliefs or projections described in the forward-looking statements contained in this report. All statements in this prospectus that are not statements of historical fact are forward-looking statements.

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Important factors that, in our view, could cause actual results to differ materially from those discussed in the forward-looking statements include the following:

- our ability to maintain or develop new and existing customer relationships with major refined product importers and exporters, major crude oil companies and major commodity traders, including our ability to enter into long-term charters for our vessels;
- our future operating and financial results;
- oil and chemical tanker industry trends, including charter rates and vessel values and factors affecting vessel supply and demand;
- our ability to take delivery of, integrate into our fleet, and employ newbuildings we may order in the future and the ability of shipyards to deliver vessels on a timely basis;
- the aging of our vessels and resultant increases in operation and drydocking costs;
- the ability of our vessels to pass classification inspections and vetting inspections by oil majors and big chemical corporations;
- significant changes in vessel performance, including increased vessel breakdowns;
- the creditworthiness of our charterers and the ability of our contract counterparties to fulfill their obligations to us;
- our ability to repay outstanding indebtedness, to obtain additional financing and to obtain replacement charters for our vessels, in each case, at commercially acceptable rates or at all;
- changes to governmental rules and regulations or actions taken by regulatory authorities and the expected costs thereof;
- potential liability from litigation and our vessel operations, including discharge of pollutants;
- changes in general economic and business conditions;
- general domestic and international political conditions, potential disruption of shipping routes due to accidents, political events or acts by terrorists;
- changes in production of or demand for oil and petroleum products and chemicals, either globally or in particular regions;
- the strength of world economies and currencies, including fluctuations in charterhire rates and vessel values; and
- other important factors described from time to time in the reports filed by us with the Commission.

We refer you to the section entitled "Risk Factors," beginning on page S-9 of this prospectus supplement, on page 4 of the accompanying prospectus and on page 7 of our most recent Annual Report on Form 20-F, which is incorporated by reference herein, for a more complete discussion of these risks and uncertainties and for other risks and uncertainties. These factors and the other risk factors described in this prospectus supplement are not necessarily all of the important factors that could cause actual results or developments to differ materially from those expressed in any

of our forward-looking statements. Other unknown or unpredictable factors also could harm our results. Consequently, there can be no assurance that actual results or developments anticipated by us will be realized or, even if substantially realized, that they will have the expected consequences to, or effects on, us. Given these uncertainties, prospective investors are cautioned not to place undue reliance on such forward-looking statements.

Forward-looking statements reflect only as of the date on which they are made. We will not update any forward-looking statements to reflect future events, developments, or other information. If we do update one or more forward-looking statements, no inference should be drawn that additional updates will be made regarding that statement or any other forward-looking statements.

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## ENFORCEABILITY OF CIVIL LIABILITIES

We are incorporated under the laws of the Republic of the Marshall Islands and our principal executive office is located outside of the United States in Greece. Some of our directors, officers and the experts named in this prospectus supplement reside outside the United States. In addition, a substantial portion of our assets and the assets of certain of our directors, officers and experts are located outside of 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 any of these persons. You may also have difficulty enforcing, both in and outside the United States, judgments you may obtain in United States courts against us or these persons in any action, including actions based upon the civil liability provisions of United States federal or state securities laws.

Furthermore, there is substantial doubt that courts in the countries in which we or our subsidiaries are incorporated or where our assets or the assets of our subsidiaries, directors or officers and such experts are located (i) would enforce judgments of U.S. courts obtained in actions against us or our subsidiaries, directors or officers and such experts based upon the civil liability provisions of applicable U.S. federal and state securities laws or (ii) would enforce, in original actions, liabilities against us or our subsidiaries, directors or officers and such experts based on those laws.

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## PROSPECTUS SUPPLEMENT SUMMARY

This summary highlights information that appears elsewhere in this prospectus supplement or in the documents incorporated by reference herein and is qualified in its entirety by the more detailed information, including the financial statements that appear in the documents incorporated by reference. This summary may not contain all of the information that may be important to you. As an investor or prospective investor, you should review carefully the entire prospectus supplement, including the risk factors, and the more detailed information that is included herein and in the documents incorporated by reference herein.

Unless the context otherwise requires, as used in this prospectus supplement, the terms "Company," "we," "us," and "our" refer to TOP SHIPS INC. and all of its subsidiaries, and "TOP SHIPS INC." refers only to TOP SHIPS INC. and not to its subsidiaries. We use the term deadweight ton, or dwt, in describing the size of vessels. Dwt, expressed in metric tons each of which is equivalent to 1,000 kilograms, refers to the maximum weight of cargo and supplies that a vessel can carry. Our reporting currency is in the U.S. dollar and all references in this prospectus supplement to "\$" or "dollars" are to U.S. dollars. Further, unless otherwise indicated, the information presented in this prospectus supplement gives effect to a one-for-ten reverse stock split of our issued and outstanding common shares effective on February 22, 2016.

### Our Company

We are an international owner and operator of modern, fuel efficient eco medium range, or MR, tanker vessels focusing on the transportation of crude oil, petroleum products (clean and dirty) and bulk liquid chemicals. As of the date of this prospectus supplement, our fleet consists of two chartered-in 49,737 dwt product/chemical tankers vessels, the M/T Stenaweco Energy and the M/T Stenaweco Evolution, two 39,208 dwt product/chemical tankers vessels, the M/T Eco Fleet and the M/T Eco Revolution, and two 49,737 dwt product/chemical tankers, the M/T Stenaweco Excellence and M/T Nord Valiant and we own 40% interest of a shipowning company that owns a 50,118 dwt product/chemical tanker, the M/T Stenaweco Elegance.

We intend to continue to review the market in order to identify potential acquisition targets on accretive terms.

We believe we have established a reputation in the international ocean transport industry for operating and maintaining vessels with high standards of performance, reliability and safety. We have assembled a management team comprised of executives who have extensive experience operating large and diversified fleets of tankers and who have strong ties to a number of national, regional and international oil companies, charterers and traders.

### Our Fleet

The following tables present our fleet list as of the date of this prospectus supplement:

#### Chartered-in fleet:

Name	Deadweight	Charter	Expiry of Firm Charter	Gross Rate fixed period/ options*
	Charterer	Duration	Period	

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M/T Stenaweco Energy	49,737	Stena Weco A/S	5.5+1+1 years February 2020	\$16,500** / \$17,350 / \$18,100
M/T Stenaweco Evolution	49,737	Stena Weco A/S	5+1+1 years April 2020	\$16,200*** / \$17,200 / \$18,000

\* Options may be exercised at the charter's option.

\*\* \$14,600 commencing from January 1, 2017 until June 30, 2018. Thereafter the rate will be \$16,500 until February 25, 2020.

\*\*\* \$14,600 commencing from May 1, 2017 until April 30, 2018. Thereafter the rate will be \$16,200 from May 1, 2018 until April 3, 2019. From April 4, 2019 to April 4, 2020 the rate is \$16,350.

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Operating fleet\*:

Name	Deadweight	Charterer	Charter Duration	Expiry of Firm Charter Period	Gross Rate fixed period/ options**
M/T Eco Fleet	39,208	BP Shipping Limited	3+1+1 years	July 2018	\$15,200 / \$16,000 / \$16,750
M/T Eco Revolution	39,208	BP Shipping Limited	3+1+1 years	January 2019	\$15,200 / \$16,000 / \$16,750
M/T Stenaweco Excellence	49,737	Stena Weco A/S	3+1+1 years	May 2019	\$16,200 / \$17,200 / \$18,000
M/T Nord Valiant	49,737	DS Norden A/S	5+1+1 years	August 2021	\$16,800 / \$17,600 / \$18,400

\* We have also acquired, through our wholly-owned subsidiary, a 40% ownership interest in Eco Seven Inc., or Eco Seven. Eco Seven currently owns the M/T Stenaweco Elegance, a 50,118 dwt product/chemical tanker that was delivered from Hyundai Mipo Dockyard Co. Ltd. on February 28, 2017. Eco Seven is also a party to a time charter agreement that commenced upon the vessel's delivery at a rate of \$16,500 per day for the first three years, and at the charterer's option, \$17,500 for the first optional year and \$18,500 for the second optional year. For more information, please see "Item 4. Information on the Company—A. History and Development of the Company—Recent Developments" from our Annual Report on Form 20-F for the year ended December 31, 2016.

\*\* Options may be exercised at the charterer's option.

## Recent Developments

From March 9 to March 27, 2017 the Company sold 6,343,462 shares of its common stock to the Investor under the Purchase Agreement, resulting in aggregate gross proceeds to the Company of \$6.9 million.

On March 22, 2017, the Company issued a \$5.0 million 4% Original Issue Discount Promissory Note to the Investor for cash consideration of \$4.8 million, with a mandatory redemption on October 7, 2017, in relation to the 6% Original Issue Discount Promissory Note to the Investor, the balance as of March 27, 2017 has been reduced to \$0.5 million.

## Corporate Information

Our predecessor, Ocean Holdings Inc., was formed as a corporation in January 2000 under the laws of the Republic of the Marshall Islands and renamed Top Tankers Inc. in May 2004. In December 2007, Top Tankers Inc. was renamed Top Ships Inc.

Our common stock is currently listed on the Nasdaq Capital Market under the symbol "TOPS." The current address of our principal executive office is 1 Vasilisis Sofias and Megalou Alexandrou Str, 15124 Maroussi, Greece. The telephone number of our registered office is +30 210 812 8000. Our corporate website address is [www.topships.org](http://www.topships.org). The information contained on our website does not constitute part of this prospectus.

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THE OFFERING

Issuer	TOP Ships Inc., a Marshall Islands corporation
Common shares outstanding as of March 27, 2017	15,321,711 common shares
Common shares to be offered	<ul style="list-style-type: none"> <li>· Up to \$12.5 million of shares of our common stock that we may sell from time to time to the Investor over the next 22 months under the Purchase Agreement, of which \$6.9 million of common shares have already been sold. Effective March 27, 2017, we entered into the Second Amendment to increase the aggregate amount of our common shares that may be sold.</li> <li>· \$188,991 of shares of our common stock as a commitment fee in consideration for entering into the Purchase Agreement, of which \$104,991 of common shares have already been issued</li> </ul>
Preferred Share Purchase Rights	Our common shares include preferred share purchase rights, as described in the section of the accompanying prospectus supplement entitled "Description of Capital Stock—Stockholders Rights Agreement."
Use of proceeds	We will use the net proceeds from the sale of the common stock offered by this prospectus supplement for general corporate purposes. We expect that the maximum net proceeds of this offering will be up to approximately \$12.1 million, after deducting estimated issuance costs and commissions of approximately \$0.4 million.
Risk Factors	Investing in our common stock involves a high degree of risk. See "Risk Factors" beginning on page S-9 of this prospectus supplement and page 4 of the accompanying prospectus and in our Annual Report on Form 20-F for the fiscal year ended December 31, 2016, filed with the Commission on March 14, 2017 and incorporated by reference herein, to read about the risks you should consider before purchasing our common stock.
Tax Considerations	For a discussion of the principal U.S. federal income tax and Marshall Islands tax considerations associated with our operations and the acquisition, ownership and disposition of our common stock see "Taxation" in our Annual Report on Form 20-F for the fiscal year ended December 31, 2016.
Listing	The primary trading market for our common stock is the Nasdaq Capital Market, where our common shares are listed under the symbol "TOPS."

## Second Amendment to the Purchase Agreement

As of March 27, 2017, which we refer to as the Effective Date, we entered into the Second Amendment with the Investor which amended the initial purchase agreement dated February 2, 2017, as amended. The Purchase Agreement provides that, upon the terms and subject to the conditions set forth therein, the Investor is committed to purchase up to \$12.5 million of common shares, which we refer to as the Total Commitment, worth of our common stock over the 24-month term of the Purchase Agreement, of which \$6.9 million of common shares have already been sold.

We are filing this prospectus supplement to cover the issuance and sale of the remaining shares available to be sold under the Purchase Agreement i.e.: (i) up to \$5.6 million of shares of our common stock that may be sold from time to time to the Investor over the next 22 months pursuant to the Purchase Agreement and (ii) \$84,000 of shares of our common stock that are being issued to the Investor as a commitment fee in consideration for entering into the Second Amendment.

From time to time over the term of the Purchase Agreement, we may, in our sole discretion, provide the Investor with draw down notices, each referred to as a Fixed Request Notice, to purchase a specified amount of shares of our common stock, which we refer to as the Fixed Amount Requested, over an eight consecutive trading day period commencing on the trading day specified in the applicable Fixed Request Notice, which we refer to as the Pricing Period, with each fixed request subject to the limitations discussed below. The maximum amount requested to be purchased pursuant to any single Fixed Request Notice cannot exceed (i) \$50,000, if the volume weighted average price, or VWAP, of the common stock is greater than \$0.75 per share on the trading day immediately preceding the applicable date on which we deliver the Fixed Request Notice, or the Fixed Request Exercise Date, and (ii) \$10,000, if the VWAP of our common stock is equal to or below \$0.75 per share on the trading day immediately preceding the applicable Fixed Request Exercise Date, which we refer to as the Maximum Fixed Amount Requested, unless we and the Investor mutually agree.

Once presented with a Fixed Request Notice, the Investor is required to purchase a pro rata portion of the Fixed Request Amount during the applicable Pricing Period for those trading days on which the VWAP equals or exceeds an applicable floor price, or the Floor Price, which is equal to the lowest price at which the Company may sell Shares during the applicable Pricing Period as set forth in a Fixed Request Notice (not taking into account the discount factor of 93.0% discussed below); provided, however, that at no time shall the Floor Price be lower than \$0.50 per share unless the Company and the Investor mutually agree otherwise. The per share purchase price for the shares of our common stock subject to a Fixed Request Notice will be equal to the product of a discount factor of 93.0% multiplied by the lowest daily VWAP that equals or exceeds the applicable Floor Price during the applicable Pricing Period. If the VWAP falls below the applicable Floor Price on any trading day during the applicable Pricing Period, the Purchase Agreement provides that the Investor will not be required to purchase the pro rata portion of the applicable Fixed Price Request Amount allocated to that trading day unless the Investor elects to purchase those shares at the Floor Price multiplied by the discount factor of 93.0%. Each purchase pursuant to a Fixed Request will reduce, on a dollar-for-dollar basis, the Total Commitment under the Purchase Agreement. The payment for, against subsequent delivery of, Shares in respect of each Fixed Request shall be settled on the second trading day next following the last trading day of each Pricing Period, or on such earlier date as the parties may mutually agree, or the Settlement Date.

We are prohibited from issuing a Fixed Request Notice if (i) the amount requested in such Fixed Request Notice exceeds the Maximum Fixed Amount Requested, (ii) the sale of shares of our common stock pursuant to such Fixed Request Notice would cause us to issue or sell or the Investor to acquire or purchase an aggregate dollar value of shares of our common stock that would exceed \$12.5 million, or (iii) the sale of shares of our common stock pursuant to the Fixed Request Notice would cause the Investor to purchase an aggregate number of shares of our common stock which would result in beneficial ownership by the Investor of more than 4.99% of our common stock (as calculated

pursuant to Section 13(d) of the Securities Exchange Act of 1934, as amended, or the Exchange Act, and the rules and regulations thereunder). We cannot make more than one Fixed Request in any Pricing Period and must allow five trading days to elapse between the completion of a Pricing Period and the commencement of a Pricing Period for any other fixed request, unless mutually agreed by both parties.

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With respect to any Pricing Period, the Company may in its sole discretion grant to the Investor the right, in the Investor's sole discretion, to purchase, from time to time during the Pricing Period, all or any portion of an additional amount of common stock, or the Optional Amount. The Optional Amount and the applicable floor price with respect to such Optional Amount, or the Optional Amount Floor Price, which may be the same or different to the Floor Price with respect to the applicable Fixed Request Notice, shall be set forth in the applicable Fixed Request Notice. The purchase price for any portion of the Optional Amount that the Investor chooses to purchase will be equal to the product of a discount factor of 93.0% multiplied by the Optional Amount Floor Price applicable to such Optional Amount. Each daily Optional Amount exercise shall be aggregated during the Pricing Period and settled on the Settlement Date for the applicable Fixed Request. The Optional Amount Floor Price designated by the Company in its Fixed Request Notice shall apply to each exercise of all or any portion of the Optional Amount during the applicable Pricing Period.

The Purchase Agreement contains customary representations, warranties, covenants and conditions by, among and for the benefit of the parties. The Purchase Agreement may be terminated at any time by the mutual written consent of the parties. Unless earlier terminated, the Purchase Agreement will terminate automatically on the earliest of (i) the first day of the month next following the 24-month anniversary of the Effective Date, (ii) the date that the entire dollar amount of common stock registered under the registration statement to which this prospectus supplement is a part has been issued and sold and (iii) the date the Investor shall have purchased or acquired shares of our common stock pursuant to the Purchase Agreement equal to the Total Commitment. Under certain circumstances set forth in the Purchase Agreement, we and the Investor each may terminate the Purchase Agreement on one trading day's prior written notice to the other without fee, penalty or cost.

We will pay to the Investor a commitment fee for entering into the Purchase Agreement equal to \$188,991 shares of our common stock, or \$84,000 in connection with the Second Amendment, valued at a per share price equal to \$1.0292, representing the product of 0.93 and the lowest VWAP of the Company's common stock for the eight trading days immediately preceding the Effective Date of which \$104,991 of common shares have already been issued. We also agreed to pay up to \$65,000 of reasonable attorneys' fees and expenses (exclusive of disbursements and out-of-pocket expenses) incurred by the Investor in connection with the preparation, negotiation, execution and delivery of the Purchase Agreement and related transaction documentation, of which \$10,000 was incurred and paid in connection with the Second Amendment. Further, if we issue a Fixed Request Notice and fail to deliver the shares of our common stock to the Investor on the applicable settlement date, and such failure continues for 10 trading days, we agreed to pay the Investor, in addition to all other remedies available to the Investor under the Purchase Agreement, an amount in cash equal to 2.0% of the purchase price of such shares for the first 30-day period the shares of our common stock are not delivered and an additional 2.0% for each additional 30-day period thereafter until such shares are delivered. Additionally, on each Settlement Date the Investor is entitled to withhold a draw down fee equal to 1.0% of the total payment to the Company.

We have agreed to indemnify the Investor and certain other persons, and the Investor has agreed to indemnify us and certain other persons, in each case against certain liabilities in connection with the offering of shares of common stock offered hereby, including liabilities arising under the Securities Act or, if such indemnity is unavailable, to contribute amounts required to be paid in respect of such liabilities. Insofar as indemnification for liabilities arising under the Securities Act may be permitted to our directors, officers, and controlling persons, we have been advised that in the opinion of the Commission this indemnification is against public policy as expressed in the Securities Act and is therefore, unenforceable.

For the definitions herein please refer to the initial purchase agreement filed as an exhibit to our Report on Form 6-K filed with the SEC on February 2, 2017.



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## RISK FACTORS

We have identified a number of risk factors which you should consider before investing in our common stock. You should consider carefully the risks set forth below, those risk factors set forth under the heading "Risk Factors" in our Annual Report on Form 20-F incorporated by reference in this prospectus supplement and in any other documents we have incorporated by reference in this prospectus supplement, as well as those under the heading "Risk Factors" in the accompanying prospectus dated February 1, 2017 before investing in the common stock offered hereby. The occurrence of one or more of these risk factors could adversely affect our results of operations or financial condition.

Our management team will have broad discretion over the use of the net proceeds from this offering.

Our management will use its discretion to direct the net proceeds from this offering. We will use the net proceeds from the sale of the common stock offered by this prospectus supplement for general corporate purposes. Our management's judgments may not result in positive returns on your investment and you will not have an opportunity to evaluate the economic, financial or other information upon which our management bases its decisions.

Investors may experience significant dilution as a result of this offering and future offerings, and the proceeds from this offering could be significantly lower than \$5.6 million.

We may sell large quantities of our common stock at any time pursuant to this prospectus supplement or one or more separate offerings. If we elect to draw down amounts under the Purchase Agreement, which will result in the sale of additional shares of our common stock to the Investor, any such drawdowns will have a dilutive impact on our existing stockholders. The Investor may resell some or all of the shares of our common stock we issue to it pursuant to draw downs under the Purchase Agreement and such sales could cause the market price, and the VWAP, of our common stock to decline. To the extent of any such decline, any subsequent drawdowns would require us to issue a greater number of shares of common stock to the Investor in exchange for each dollar of proceeds received from the draw down. This is because the number of shares of common stock we sell pursuant to this prospectus supplement will increase as the VWAP of our common stock decreases, and therefore the number of shares of common stock we sell pursuant to this prospectus supplement could be significant if the VWAP for our common stock decreases significantly. Under these circumstances, our existing stockholders would experience greater dilution and the total amount of the financing that we will be able to raise pursuant to the Purchase Agreement could be significantly lower than \$5.6 million.

Purchasers of the shares of our common stock we sell, as well as our existing shareholders, will experience significant dilution if we sell shares at prices significantly below the price at which they invested. In addition, we may offer additional common stock in the future, which may result in additional significant dilution.

Future sales of our common stock could cause the market price of our common stock to decline.

The market price of our common stock could decline due to sales, or the announcements of proposed sales, of a large number of common stock in the market, including sales of common stock by our large shareholders, or the perception that these sales could occur. These sales or the perception that these sales could occur could also depress the market price of our common stock and impair our ability to raise capital through the sale of additional equity securities or make it more difficult or impossible for us to sell equity securities in the future at a time and price that we deem appropriate. We cannot predict the effect that future sales of common stock or other equity-related securities would have on the market price of our common stock. Additionally, although the Investor is precluded from short sales of shares of our common stock acquired pursuant to draw downs under the Purchase Agreement, the sale of our common stock under the Purchase Agreement, or the perception that such sales could occur, may encourage short sales by third parties, which could contribute to further decline of our stock price.

Our Third Amended and Restated Articles of Incorporation, as amended, authorize our Board of Directors to, among other things, issue additional shares of common or preferred stock or securities convertible or exchangeable into equity securities, without shareholder approval. We may issue such additional equity or convertible securities to raise additional capital. The issuance of any additional shares of common or preferred stock or convertible securities could be substantially dilutive to our shareholders. Moreover, to the extent that we issue restricted stock units, stock appreciation rights, options or warrants to purchase our common stock in the future and those stock appreciation rights, options or warrants are exercised or as the restricted stock units vest, our shareholders may experience further dilution. Holders of shares of our common stock have no preemptive rights that entitle such holders to purchase their pro rata share of any offering of shares of any class or series and, therefore, such sales or offerings could result in increased dilution to our shareholders.

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There is no guarantee of a continuing public market for you to resell our common stock.

Our common stock currently trade on the Nasdaq Capital Market. We cannot assure you that an active and liquid public market for our common stock will continue. The price of our common stock may be volatile and may fluctuate due to factors such as:

- actual or anticipated fluctuations in our quarterly and annual results and those of other public companies in our industry;
- mergers and strategic alliances in the shipping industry;
- market conditions in the shipping industry and the general state of the securities markets;
- changes in government regulation;
- shortfalls in our operating results from levels forecast by securities analysts; and
- announcements concerning us or our competitors.

Further, in order for our stock to continue to trade on Nasdaq, we must maintain compliance with Nasdaq's listing standards. On November 4, 2015, we received a notification of deficiency from Nasdaq stating that because the closing bid price of our common stock for the last 30 consecutive business days was below \$1.00 per share, we no longer met the minimum bid price requirement for the Nasdaq Global Select Market, with a grace period of 180 calendar days to regain compliance. On January 26, 2016, we received a notification from Nasdaq stating that because the market value of our publicly held shares for the previous 30 consecutive business days was below the minimum \$5.0 million requirement for continued listing on the Nasdaq Global Select Market, we were not in compliance with Nasdaq Listing Rule 5450(b)(1)(C). The applicable grace period to regain compliance was 180 calendar days from the date of the notice.

We regained compliance with the minimum bid price requirement for the Nasdaq Global Select Market on March 7, 2016 by affecting a one-for-ten reverse stock split of our common shares. On July 27, 2016, we transferred our Nasdaq listing from the Nasdaq Global Select Market to the Nasdaq Capital Market, which cured our deficiency under Nasdaq Listing Rule 5450(b)(1)(C).

Our common stock currently trades above the minimum \$1.00 bid price, but there is no guarantee that our shares will stay above the minimum \$1.00 bid price. If we fail to regain compliance with Nasdaq's listing standards, our common stock may be delisted.

Delisting from the Nasdaq could have an adverse effect on our business and on the trading of our common stock. If a delisting of our common stock were to occur, such shares may trade in the over-the-counter market such as on the OTC Bulletin Board or on the "pink sheets." The over-the-counter market is generally considered to be a less efficient market, and this could diminish investors' interest in our common stock as well as significantly impact the price and liquidity of our common stock. Any such delisting may also severely complicate trading of our common stock by our shareholders, or prevent them from re-selling their common stock at/or above the price they paid.

Anti-takeover provisions in our organizational documents as well as our stockholders rights agreement could make it difficult for our stockholders to replace or remove our current Board of Directors or have the effect of discouraging, delaying or preventing a merger or acquisition, which could adversely affect the market price of our common stock.

Several provisions of our Third Amended and Restated Articles of Incorporation, as amended, and Amended and Restated By-Laws, as amended, could make it difficult for our stockholders to change the composition of our board of directors in any one year, preventing them from changing the composition of management. In addition, the same provisions may discourage, delay or prevent a merger or acquisition that stockholders may consider favorable.

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These provisions include:

- authorizing our Board of Directors to issue "blank check" preferred stock without stockholder approval;
- providing for a classified Board of Directors with staggered, three-year terms;
- prohibiting cumulative voting in the election of directors;
- authorizing the removal of directors only for cause and only upon the affirmative vote of the holders of at least 80% of the outstanding shares of our capital stock entitled to vote for the directors;
- prohibiting shareholder action by written consent unless the written consent is signed by all shareholders entitled to vote on the action;
- limiting the persons who may call special meetings of shareholders;
- establishing advance notice requirements for nominations for election to our Board of Directors or for proposing matters that can be acted on by shareholders at shareholder meetings; and
- restricting business combinations with interested shareholders.

In addition, we have entered into a stockholders rights agreement that will make it more difficult for a third party to acquire significant stake in us without the support of our Board of Directors.

The above anti-takeover provisions and the provisions of our stockholders rights agreement could substantially impede the ability of public stockholders to benefit from a change in control and, as a result, may adversely affect the market price of our common stock and your ability to realize any potential change of control premium.

We are incorporated in the Republic of the Marshall Islands, which does not have a well-developed body of corporate law, and as a result, shareholders may have fewer rights and protections under Marshall Islands law than under a typical jurisdiction in the United States.

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

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

We are a "foreign private issuer," as such term is defined in Rule 405 under the Securities Act. As a "foreign private issuer" the rules governing the information that we disclose differ from those governing U.S. corporations pursuant to

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

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## USE OF PROCEEDS

We will use the net proceeds from the sale of the common stock offered by this prospectus supplement for general corporate purposes. We expect that the maximum net proceeds of this offering will be approximately \$12.1 million, after deducting estimated issuance costs and commissions of approximately \$0.4 million.

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## CAPITALIZATION

The following table sets forth our cash position and consolidated capitalization as of December 31, 2016:

· on an actual basis;

· on an as adjusted basis to give effect to the following transactions which occurred between December 31, 2016 and March 27, 2017:

o the issuance of 304,969 common shares upon the exercise of 214,015 2014 Warrants,

o the issuance of 777,000 common shares as payment for accrued fees and interest of the credit facility with Family Trading Inc., a company affiliated with certain family members of Evangelos J. Pistoris, our President, Chief Executive Officer and Director, or Family Trading,

o the issuance of 999,756 common shares in connection with the conversion of 1,640 Series B Convertible Preferred Shares,

o the issuance of 7,500 Series C Convertible Preferred Shares pursuant to the Securities Purchase Agreement we entered into on February 17, 2017 with a non-affiliated investor, affiliated with the Investor, that resulted in net proceeds of \$7.5 million and the issuance of 72,910 common shares as commitment fee pursuant to this agreement entered into on February 17, 2017 with this non-affiliated investor,

o The issuance of an aggregate of 7,398,304 shares of common shares under our registered equity line with the Investor, with aggregate gross proceeds of \$6.9 million, the issuance of 79,631 common shares as a commitment fees to the Investor and other issuance costs related to the transaction of \$0.3 million,

o \$2.1 million of scheduled debt repayments under the ABN Amro and NORD/LB Senior Credit facilities,

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