

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

FORM 20-F

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

OR

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

For the fiscal year ended December 31, 2015

OR

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

OR

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

Date of event requiring this shell company report _____

For the transition period from _____ to _____

Commission file number 001-34985

Globus Maritime Limited
(Exact name of Registrant as Specified in its Charter)

Not Applicable
(Translation of Registrant’s name into English)

Republic of the Marshall Islands
(Jurisdiction of Incorporation or Organization)

128 Vouliagmenis Ave., 3rd Floor, 166 74 Glyfada, Athens, Greece
(Address of Principal Executive Offices)

Athanasios Feidakis
128 Vouliagmenis Avenue, 3rd Floor
166 74 Glyfada, Athens, Greece
Tel: +30 210 960 8300
Facsimile: +30 210 960 8359
(Name, Telephone, E-mail and/or Facsimile Number and Address of Company Contact Person)

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

<u>Title of Each Class</u>	<u>Name of Each Exchange On Which Registered</u>
Common Shares, par value \$0.004 per share	Nasdaq Capital Market

Securities registered or to be registered pursuant to Section 12(g) of the Act.

None
(Title of Class)

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act.

None
(Title of Class)

Indicate the number of outstanding shares of each of the issuer’s classes of capital or common stock as of the close of the period covered by the annual report.

As of December 31, 2015, there were 10,319,151 shares of the registrant’s Common Shares and 2,567 of the registrant’s Series A Preferred Shares outstanding.

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

☐ Yes ☒ No

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.

☐ Yes ☒ No

Note – Checking the box above will not relieve any registrant required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 from their obligations under those Sections.

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

☒ Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). **N/A**

☐ Yes ☐ No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of “accelerated filer and large accelerated filer” in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☐

Accelerated filer ☐

Non-accelerated filer ☒

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

U.S. GAAP ☐

International Financial Reporting Standards as issued by the International Accounting Standards Board ☒

Other ☐

If “Other” has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow. **N/A**

☐ Item 17☐ Item 18

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). ☐ Yes ☒ No

(APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY PROCEEDINGS DURING THE PAST FIVE YEARS)

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Sections 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court. **N/A**

☐ Yes☐ No

TABLE OF CONTENTS		
CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS		3
PART I		
Item 1.	Identity of Directors, Senior Management and Advisers	5
Item 2.	Offer Statistics and Expected Timetable	5
Item 3.	Key Information	5
Item 4.	Information on the Company	37
Item 4A.	History and Development of the Company	56
Item 5.	Operating and Financial Review and Prospects	56
Item 6.	Directors, Senior Management and Employees	82
Item 7.	Major Shareholders and Related Party Transactions	88
Item 8.	Financial Information	90
Item 9.	The Offer and Listing	92
Item 10.	Additional Information	92
Item 11.	Quantitative and Qualitative Disclosures About Market Risk	108
Item 12.	Description of Securities Other than Equity Securities	109
PART II		
Item 13.	Defaults, Dividend Arrearages and Delinquencies	109
Item 14.	Material Modifications to the Rights of Security Holders and Use of Proceeds	109
Item 15.	Controls and Procedures	109
Item 16A.	Audit Committee Financial Expert	110
Item 16B.	Code of Ethics	110
Item 16C.	Principal Accountant Fees and Services	111
Item 16D.	Exemptions from the Listing Standards for Audit Committees	111
Item 16E.	Purchases of Equity Securities by the Issuer and Affiliated Purchasers	111
Item 16F.	Change in Registrant’s Certifying Accountant	111
Item 16G.	Corporate Governance	111
Item 16H.	Mining Safety Disclosure	112
PART III		
Item 17.	Financial Statements	112
Item 18.	Financial Statements	112
Item 19.	Exhibits	112
INDEX TO THE CONSOLIDATED FINANCIAL STATEMENTS		F-1

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This annual report on Form 20-F contains forward-looking statements and information within the meaning of U.S. securities laws, and Globus Maritime Limited desires to take advantage of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 and is including this cautionary statement in connection with this safe harbor legislation.

The “Company,” “Globus,” “Globus Maritime,” “we,” “our” and “us” refer to Globus Maritime Limited and its subsidiaries, unless the context otherwise requires.

Forward-looking statements provide our current expectations or forecasts of future events. Forward-looking statements include statements about our expectations, beliefs, plans, objectives, intentions, assumptions and other statements that are not historical facts or that are not present facts or conditions. Forward-looking statements and information can generally be identified by the use of forward-looking terminology or words, such as “anticipate,” “approximately,” “believe,” “continue,” “estimate,” “expect,” “forecast,” “intend,” “may,” “ongoing,” “pending,” “perceive,” “plan,” “potential,” “predict,” “project,” “seeks,” “should,” “views” or similar words or phrases or variations thereon, or the negatives of those words or phrases, or statements that events, conditions or results “can,” “will,” “may,” “must,” “would,” “could” or “should” occur or be achieved and similar expressions in connection with any discussion, expectation or projection of future operating or financial performance, costs, regulations, events or trends. The absence of these words does not necessarily mean that a statement is not forward-looking. Forward-looking statements and information are based on management’s current expectations and assumptions, which are inherently subject to uncertainties, risks and changes in circumstances that are difficult to predict.

Without limiting the generality of the foregoing, all statements in this annual report on Form 20-F concerning or relating to estimated and projected earnings, margins, costs, expenses, expenditures, cash flows, growth rates, future financial results and liquidity are forward-looking statements. In addition, we, through our senior management, from time to time may make forward-looking public statements concerning our expected future operations and performance and other developments. Such forward-looking statements are necessarily estimates reflecting our best judgment based upon current information and involve a number of risks and uncertainties. Other factors may affect the accuracy of these forward-looking statements and our actual results may differ materially from the results anticipated in these forward-looking statements. While it is impossible to identify all such factors, factors that could cause actual results to differ materially from those estimated by us may include, but are not limited to, those factors and conditions described under “Item 3.D. Risk Factors” as well as general conditions in the economy, dry bulk industry and capital markets. We undertake no obligation to revise any forward-looking statement to reflect circumstances or events after the date of this annual report on Form 20-F or to reflect the occurrence of unanticipated events or new information, other than any obligation to disclose material information under applicable securities laws. Forward-looking statements appear in a number of places in this annual report on Form 20-F including, without limitation, in the sections entitled “Item 5. Operating and Financial Review and Prospects,” “Item 4.A. History and Development of the Company” and “Item 8.A. Consolidated Statements and Other Financial Information—Dividend Policy.”

Terms Used in this Annual Report on Form 20-F

References to our common shares are references to Globus Maritime Limited’s registered common shares, par value \$0.004 per share, or, as applicable, the ordinary shares of Globus Maritime Limited prior to our redomiciliation into the Marshall Islands on November 24, 2010.

References to our Class B shares are references to Globus Maritime Limited’s registered Class B shares, par value \$0.001 per share, none of which are currently outstanding. We refer to both our common shares and Class B shares as our shares. References to our shareholders are references to the holders of our common shares and Class B shares. References to our Series A Preferred Shares are references to our shares of Series A preferred stock, par value \$0.001 per share, 2,567 of which were outstanding as of December 31, 2015 and on the date of this annual report on Form 20-F.

On July 29, 2010, we effected a four-for-one reverse split of our common shares. Unless otherwise noted, all historical share numbers and per share amounts in this annual report on Form 20-F have been adjusted to give effect to this reverse split.

Unless otherwise indicated, all references to “dollars” and “\$” in this annual report on Form 20-F are to, and amounts are presented in, U.S. dollars. References to our ships, our vessels or out fleet relates to the ships that we own, unless context otherwise requires.

Rounding

Certain financial information has been rounded, and, as a result, certain totals shown in this annual report on Form 20-F may not equal the arithmetic sum of the figures that should otherwise aggregate to those totals.

PART I

Item 1. Identity of Directors, Senior Management and Advisers

Not Applicable.

Item 2. Offer Statistics and Expected Timetable

Not Applicable.

Item 3. Key Information

A. Selected Financial Data

The following tables set forth our selected consolidated financial and operating data. The summary consolidated financial data as of and for the years ended December 31, 2015, 2014, 2013, 2012 and 2011 are derived from our audited consolidated financial statements, which have been prepared in accordance with International Financial Reporting Standards, or IFRS, as issued by the International Accounting Standards Board, or IASB. The data set forth below should be read in conjunction with “Item 5. Operating and Financial Review and Prospects” and our audited consolidated financial statements, related notes and other financial information included elsewhere in this annual report on Form 20-F. Results of operations in any period are not necessarily indicative of results in any future period.

	Year Ended December 31,				
	(Expressed in Thousands of U.S. Dollars, except per share data)				
	2015	2014	2013	2012	2011
Consolidated Statement of comprehensive loss/income					
Voyage revenue	12,715	26,378	29,434	32,197	35,559
Voyage expenses	(2,384)	(4,254)	(2,892)	(4,450)	(3,283)
Net revenue(1)	10,331	22,124	26,542	27,747	32,276
Vessel operating expenses	(10,321)	(9,707)	(10,031)	(10,400)	(7,967)
Depreciation	(6,085)	(5,624)	(5,622)	(11,255)	(10,180)
Depreciation of drydocking costs	(1,062)	(574)	(434)	(763)	(318)
Amortization of fair value of time charter attached to vessels	(41)	(746)	(1,261)	(1,823)	(779)
Administrative expenses	(1,751)	(1,896)	(2,092)	(1,869)	(2,078)
Administrative expenses payable to related parties	(465)	(522)	(620)	(598)	(1,150)
Share-based payments	(60)	(60)	189	(977)	(364)
(Impairment Loss)/Reversal of impairment	(20,144)	2,240	1,679	(80,244)	-
Other (expenses)/income, net	(110)	(1)	127	(68)	(124)
Operating (loss)/profit before financing activities	(29,708)	5,234	8,477	(80,250)	9,316
Interest income	8	12	41	47	52
Interest expense and finance costs	(2,783)	(2,137)	(3,571)	(3,358)	(2,821)
Gain on derivative financial instruments	-	-	738	693	369
Foreign exchange gains/(losses), net	87	103	(8)	64	9
Total comprehensive (loss)/income for the year	(32,396)	3,212	5,677	(82,804)	6,925
Basic (loss)/earnings per share for the year	(3.20)	0.29	0.52	(8.22)	0.80
Diluted (loss)/earnings per share for the year	(3.20)	0.29	0.52	(8.22)	0.79
Weighted average number of common shares, basic	10,266,690	10,234,361	10,215,997	10,142,979	8,688,543
Weighted average number of common shares, diluted	10,266,690	10,234,361	10,215,997	10,142,979	8,738,444
Dividends declared per common share	-	-	-	0.25	0.64
Dividends declared per Series A Preferred Share	174.65	113.88	128.66	157.25	-
Adjusted (LBITDA)/EBITDA(2) (unaudited)	(2,376)	9,938	14,115	13,835	20,593

(1) Net Revenue is computed by subtracting voyage expenses from revenue. Net Revenue is not a recognized measurement under IFRS and should not be considered as an alternative or comparable to net income.

(2) Adjusted (LBITDA)/EBITDA represents net earnings before interest and finance costs net, gains or losses from the change in fair value of derivative financial instruments, foreign exchange gains or losses, income taxes, depreciation, depreciation of drydocking costs, amortization of fair value of time charter attached to vessels, impairment and gains or losses from sale of vessels. Adjusted (LBITDA)/EBITDA does not represent and should not be considered as an alternative to total comprehensive income/(loss) or cash generated from operations, as determined by IFRS, and our calculation of Adjusted (LBITDA)/EBITDA may not be comparable to that reported by other companies. Adjusted (LBITDA)/EBITDA is not a recognized measurement under IFRS.

Adjusted (LBITDA)/EBITDA is included herein because it is a basis upon which we assess our financial performance and because we believe that it presents useful information to investors regarding a company’s ability to service and/or incur indebtedness and it is frequently used by securities analysts, investors and other interested parties in the evaluation of companies in our industry.

Adjusted (LBITDA)/EBITDA has limitations as an analytical tool, and you should not consider it in isolation, or as a substitute for analysis of our results as reported under IFRS. Some of these limitations are:

- Adjusted (LBITDA)/EBITDA does not reflect our cash expenditures or future requirements for capital expenditures or contractual commitments;*
- Adjusted (LBITDA)/EBITDA does not reflect the interest expense or the cash requirements necessary to service interest or principal payments on our debt;*
- Adjusted (LBITDA)/EBITDA does not reflect changes in or cash requirements for our working capital needs; and*
- other companies in our industry may calculate Adjusted (LBITDA)/EBITDA differently than we do, limiting its usefulness as a comparative measure.*

Because of these limitations, Adjusted (LBITDA)/EBITDA should not be considered a measure of discretionary cash available to us to invest in the growth of our business.

The following table sets forth a reconciliation of total comprehensive (loss)/income to Adjusted (LBITDA)/EBITDA (unaudited) for the periods presented:

	Year Ended December 31,				
	(Expressed in Thousands of U.S. Dollars)				
	2015	2014	2013	2012	2011
Total comprehensive (loss)/income for the year	(32,396)	3,212	5,677	(82,804)	6,925
Interest and finance costs, net	2,774	2,125	3,530	3,311	2,769
(Gain)/loss on derivative financial instruments	-	-	(738)	(693)	(369)
Foreign exchange (gains)/losses, net	(87)	(103)	8	(64)	(9)
Depreciation	6,085	5,624	5,622	11,255	10,180
Depreciation of drydocking costs	1,062	574	434	763	318
Amortization of fair value of time charter attached to vessels	41	746	1,261	1,823	779
(Impairment Loss)/ Reversal of Impairment	20,144	(2,240)	(1,679)	80,244	-
Adjusted (LBITDA)/EBITDA (unaudited)	(2,377)	9,938	14,115	13,835	20,593

	As of December 31,				
	(Expressed in Thousands of U.S. Dollars)				
	2015	2014	2013	2012	2011
Statements of financial position data					
Total non-current assets	110,140	141,834	133,707	140,966	242,592
Total current assets (including “Non-current assets classified as held for sale”)	4,697	10,235	21,955	24,756	13,467
Total assets	114,837	152,069	155,662	165,722	256,059
Total equity	30,535	63,319	60,340	55,182	140,019
Total non-current liabilities	14,673	40,314	72,801	78,812	105,584
Total current liabilities	69,629	48,436	22,521	31,728	10,456
Total equity and liabilities	114,837	152,069	155,662	165,722	256,059

	Year Ended December 31,				
	(Expressed in Thousands of U.S. Dollars)				
	2015	2014	2013	2012	2011
Consolidated statements of cash flows data					
Net cash (used in)/generated from operating activities	(60)	9,521	12,357	14,370	19,774
Net cash (used in)/generated from investing activities	5,351	5	(1,016)	(341)	(61,782)
Net cash (used in)/generated from financing activities	(8,369)	(9,333)	(17,123)	(11,680)	25,681

	Year Ended December 31,				
	2015	2014	2013	2012	2011
Ownership days(1)	2,380	2,555	2,555	2,562	2,125
Available days(2)	2,336	2,513	2,527	2,498	2,111
Operating days(3)	2,252	2,500	2,486	2,471	2,083
Bareboat charter days(4)	22	365	365	366	365
Fleet utilization(5)	96.4%	99.5%	98.4%	98.9%	98.7%
Average number of vessels(6)	6.5	7.0	7.0	7.0	5.8
Daily time charter equivalent (TCE) rate(7)	\$ 4,333	\$ 7,969	\$ 9,961	\$ 10,660	\$ 15,619

- (1) *Ownership days are the aggregate number of days in a period during which each vessel in our fleet has been owned by us.*
- (2) *Available days are the number of our ownership days less the aggregate number of days that our vessels are off-hire due to scheduled repairs or repairs under guarantee, vessel upgrades or special surveys.*
- (3) *Operating days are the number of available days in a period less the aggregate number of days that the vessels are off-hire due to any reason, including unforeseen circumstances.*
- (4) *Bareboat charter days are the aggregate number of days in a period during which the vessels in our fleet are subject to a bareboat charter.*
- (5) *We calculate fleet utilization by dividing the number of our operating days during a period by the number of our available days during the period.*
- (6) *Average number of vessels is measured by the sum of the number of days each vessel was part of our fleet during a relevant period divided by the number of calendar days in such period.*
- (7) *Time Charter Equivalent (TCE) rates are our revenue less net revenue from our bareboat charters less voyage expenses during a period divided by the number of our available days during the period excluding bareboat charter days. TCE is a measure not in accordance with generally accepted accounting principles, or GAAP. Please read “Item 5. Operating and Financial Review and Prospects.”*

The following table reflects the calculation of our daily TCE rates for the periods presented.

	Year Ended December 31,				
	(Expressed in Thousands of U.S. Dollars, except number of days and daily TCE rates)				
	2015	2014	2013	2012	2011
Revenue	12,715	26,378	29,434	32,197	35,559
Less: Voyage expenses	2,384	4,254	2,892	4,450	3,283
Less: bareboat charter net revenue	304	5,006	5,006	5,020	5,006
Net revenue excluding bareboat charter net revenue	10,027	17,118	21,536	22,727	27,270
Available days net of bareboat charter days	2,314	2,148	2,162	2,132	1,746
Daily TCE rate	4,333	7,969	9,961	10,660	15,619

B. Capitalization and Indebtedness

Not Applicable.

C. Reasons for the Offer and Use of Proceeds

Not Applicable.

D. Risk Factors

This annual report on Form 20-F contains forward-looking statements and information within the meaning of U.S. securities laws that involve risks and uncertainties. Our actual results may differ materially from the results discussed in the forward-looking statements and information. Factors that may cause such a difference include those discussed below and elsewhere in this annual report on Form 20-F.

Some of the following risks relate principally to the industry in which we operate and our business in general. Other risks relate principally to the securities market and ownership of our common shares. The occurrence of any of the events described in this section could significantly and negatively affect our business, financial condition, operating results, and ability to pay dividends or the trading price of our common shares.

Risks relating to Our Industry

The international dry bulk shipping industry is cyclical and volatile.

The international seaborne transportation industry is cyclical and has high volatility in charter rates, vessel values and profitability. Fluctuations in charter rates result from changes in the supply and demand for vessel capacity and changes in the supply and demand for energy resources, commodities, semi-finished and finished consumer and industrial products internationally carried at sea. Since the early part of 2009, rates have been volatile, but gradually recovered from market lows with further improvements taking place in the first half of 2010, before leveling out in the second half of 2010, declining in 2011 throughout 2012. In 2013 rates remained volatile reaching their lows in January 2013 and their highs in December 2013 while volatility continued during 2014 as well, with rates reaching their highs during January 2014 and their lows during July 2014. In 2015, the decreasing trend in rates continued and in December reached an all-time low, which have remained fairly depressed. Currently all of our vessels are chartered on short-term time charters and on the spot market, and we are exposed therefore to changes in spot market and short-term charter rates for dry bulk vessels and such changes affect our earnings and the value of our dry bulk vessels at any given time. The supply of and demand for shipping capacity strongly influences freight rates. 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.

Factors that influence demand for vessel capacity include:

- port and canal congestion charges;
- general dry bulk shipping market conditions, including fluctuations in charterhire rates and vessel values and demand for and production of dry bulk products;
- global and regional economic and political conditions, including exchange rates, trade deals, and the rate and geographic distributions of economic growth;
- environmental and other regulatory developments;
- the distance dry bulk cargoes are to be moved by sea; and
- changes in seaborne and other transportation patterns.

Factors that influence the supply of vessel capacity include:

- the size of the newbuilding orderbook;
- the price of steel and vessel equipment;
- technological advances in vessel design and capacity;
- the number of newbuild deliveries, which among other factors relates to the ability of shipyards to deliver newbuilds by contracted delivery dates and the ability of purchasers to finance such newbuilds;
- the scrapping rate of older vessels;
- port and canal congestion;
- the number of vessels that are in or out of service, including due to vessel casualties; and
- changes in environmental and other regulations that may limit the useful lives of vessels.

In addition to the prevailing and anticipated 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 bunkers and other operating costs, costs associated with classification society surveys, normal maintenance costs, insurance coverage costs, the efficiency and age profile of the existing dry bulk 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 dry bulk vessels and charter rates will be dependent upon continued economic growth in the world’s economies, seasonal and regional changes in demand and changes to the capacity of the global dry bulk vessel fleet and the sources and supply of dry bulk cargo to be transported by sea. Adverse economic, political, social or other developments could negatively impact charter rates and therefore have a material adverse effect on our business, results of operations and ability to pay dividends. We may also decide that it makes economic sense to lay up one or more vessels. While our vessels are laid up, we will pay lay-up costs, but those vessels will not be able to earn any hire.

The dry bulk vessel charter market remains significantly below its high in 2008.

The revenues, earnings and profitability of companies in our industry are affected by the charter rates that can be obtained in the market, which is volatile and has experienced significant declines since its highs in the middle of 2008. The Baltic Dry Index, or the BDI, which is published daily by the Baltic Exchange Limited, or the Baltic Exchange, a London-based membership organization that provides daily shipping market information to the global investing community, is an average of selected ship brokers’ assessments of time charter rates paid by a customer to hire a dry bulk vessel to transport dry bulk cargoes by sea. The BDI has long been viewed as the main benchmark to monitor the movements of the dry bulk vessel charter market and the performance of the entire dry bulk shipping market. The BDI declined from a high of 11,793 in May 2008 to a low of 663 in December 2008, which represents a decline of 94.0% within a single calendar year. Since 2009, the BDI has remained fairly depressed (compared to historical numbers). The BDI reached as high as 1,222 in August 5, 2015 and a new all-time low of 471 in December 16, 2015. The BDI ranged from 290 to 473 from January until March 2016, with 290 being its new all-time low. The dry bulk market remains volatile and significantly depressed.

The decline and volatility in charter rates is primarily due to the number of newbuilding deliveries as vessel oversupply is gradually taking its toll on the market. Increased demand for dry bulk commodities has been unable to fully absorb new deadweight tonnage, or dwt, that entered the market in recent years. Although the number of dry bulk carriers on order has declined from the historic highs in recent years, there remains a substantial amount of capacity on order. Due to a lack of financing, we expect cancellations and/or slippage of newbuilding orders. While vessel supply will continue to be affected by the delivery of new vessels and the removal of vessels from the global fleet, either through scrapping or accidental losses, an over-supply of dry bulk carrier capacity could exacerbate the recent decrease in charter rates or prolong the period during which low charter rates prevail.

The decline and volatility in charter rates in the dry bulk market also affects the value of our dry bulk vessels, which follows the trends of dry bulk charter rates, and earnings on our charters, and similarly affects our cash flows, liquidity and compliance with the covenants contained in our loan arrangements.

Global economic conditions may continue to negatively impact the dry bulk shipping industry.

In the current global economy, operating businesses have recently faced tightening credit, weakening demand for goods and services, weak international liquidity conditions, and declining markets.

The international shipping industry and dry bulk market are highly competitive.

The shipping industry and dry bulk market are capital intensive and highly fragmented with many charterers, owners and operators of vessels and are characterized by intense competition. Competition arises primarily from other vessel owners, some of whom have substantially greater resources than we do. The trend towards consolidation in the industry is creating an increasing number of global enterprises capable of competing in multiple markets, which may result in a greater competitive threat to us. Our competitors may be better positioned to devote greater resources to the development, promotion and employment of their businesses than we are. Competition for the transportation of cargo by sea is intense and depends on customer relationships, operating expertise, professional reputation, price, location, size, age, condition and the acceptability of the vessel and its operators to the charterers. Competition may increase in some or all of our principal markets, including with the entry of new competitors, who may operate larger fleets through consolidations or acquisitions and may be able to sustain lower charter rates and offer higher quality vessels than we are able to offer. We may not be able to continue to compete successfully or effectively with our competitors and our competitive position may be eroded in the future, which could have an adverse effect on our fleet utilization and, accordingly, business, financial condition, results of operations and ability to pay dividends.

The Euro may not be stable and countries may not be able to refinance their debts.

As a result of the credit crisis in Europe, in particular in Greece, Cyprus, Italy, Ireland, Portugal and Spain, concerns persist regarding the debt burden of certain Eurozone countries and their ability to meet future financial obligations and the overall stability of the Euro. Despite efforts by European Council in establishing the European Financial Stability Facility and the European Stability Mechanism, and the work of central bankers to renegotiate sovereign debt, concerns persist regarding the debt burden of Eurozone countries, their ability to meet future financial obligations, and the overall stability of the Euro. An extended period of adverse development in the outlook for European countries could reduce the overall demand for dry bulk cargoes and for our services.

The current state of the global financial markets and current economic conditions may adversely impact the dry bulk shipping industry.

Global financial markets and economic conditions have been, and continue to be, volatile. Recently, operating businesses in the global economy have faced tightening credit, weakening demand for goods and services, deteriorating international liquidity conditions, and declining markets. There has been a general decline in the willingness by banks and other financial institutions to extend credit, particularly in the shipping industry, due to the historically volatile asset values of vessels. As the shipping industry is highly dependent on the availability of credit to finance and expand operations, it has been negatively affected by this decline.

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 has increased 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 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.

If the current global economic environment persists or worsens, we may be negatively affected in the following ways:

- we may not be able to employ our vessels at charter rates as favorable to us as historical rates or operate our vessels profitably; and
- the market value of our vessels could decrease, which may cause us to recognize losses if any of our vessels are sold.

In addition, lower demand for dry bulk cargoes as well as diminished trade credit available for the delivery of such cargoes have led to decreased demand for dry bulk carriers, creating downward pressure on charter rates and vessel values. The relatively weak global economic conditions have and may continue to have a number of adverse consequences for dry bulk and other shipping sectors, including, among other things:

- low charter rates, particularly for vessels employed on short-term time charters or in the spot market;
- decreases in the market value of dry bulk vessels and limited secondhand market for the sale of vessels;
- limited financing for vessels;
- widespread loan covenant defaults; and
- declaration of bankruptcy by certain vessel operators, vessel owners, shipyards and charterers.

The occurrence of any of the foregoing could have a material adverse effect on our business, results of operations, cash flows and financial condition. We may also decide that it makes economic sense to lay up one or more vessels. While our vessels are laid up, we will pay lay-up costs, but those vessels will not be able to earn any hire.

We depend on spot charters in volatile shipping markets.

We currently charter all five vessels we own on the spot charter market. The spot charter market is highly competitive and spot charter rates may fluctuate significantly based upon available charters and the supply of and demand for seaborne shipping capacity. While our focus on the spot market may enable us to benefit if industry conditions strengthen, we must consistently procure spot charter business. Conversely, such dependence makes us vulnerable to declining market rates for spot charters and to the off-hire periods including ballast passages. Rates within the spot charter market are subject to volatile fluctuations while longer-term time charters provide income at pre-determined rates over more extended periods of time. There can be no assurance that we will be successful in keeping our vessels fully employed in these short-term markets or that future spot rates will be sufficient to enable the vessels to be operated profitably. At current spot charter rates, we don't believe that we will be operating profitably. A significant decrease in charter rates would affect value and adversely affect our profitability, cash flows and ability to pay dividends. We cannot give assurances that future available spot charters will enable us to operate our vessels profitably.

We may also decide that it makes economic sense to lay up one or more vessels. While our vessels are laid up, we will pay lay-up costs, but those vessels will not be able to earn any hire.

An over-supply of dry bulk carrier capacity may depress charter rates.

The market supply of dry bulk vessels has been increasing as a result of the delivery of numerous newbuilding orders over the last few years. Newbuildings were delivered in significant numbers starting at the beginning of 2006 and continued to be delivered through 2015. An oversupply of dry bulk vessel capacity, particularly during a period of economic recession, may result in a reduction of charter hire rates. If we cannot enter into charters on acceptable terms, we may have to secure charters on the spot market, where charter rates are more volatile and revenues are, therefore, less predictable, or we may not be able to charter our vessels at all. In addition, a material increase in the net supply of dry bulk vessel capacity without corresponding growth in dry bulk vessel demand could have a material adverse effect on our fleet utilization (including ballast days) and our charter rates generally, and could, accordingly, materially adversely affect our business, financial condition, results of operations and ability to pay dividends.

We may also decide that it makes economic sense to lay up one or more vessels. While our vessels are laid up, we will pay lay-up costs, but those vessels will not be able to earn any hire.

The market values of our vessels have declined, and may decline further and have triggered certain financial covenants under our existing and potentially future loan and credit facilities.

The market value of dry bulk vessels has generally experienced high volatility, and is currently at a low value. The market prices for secondhand and newbuilding dry bulk vessels in the recent past have declined from historically high levels to low levels within a short period of time. The market value of our vessels may increase and decrease depending on a number of factors including:

- prevailing level of charter rates;
- age of vessels;
- general economic and market conditions affecting the shipping industry;
- competition from other shipping companies;
- configurations, sizes and ages of vessels;
- supply and demand for vessels;
- other modes of transportation;
- cost of newbuildings;
- governmental or other regulations; and

➤ technological advances.

Our loan agreement with DVB Bank SE, which we refer to as the DVB Loan Agreement, our loan agreement with HSH Nordbank AG, which we refer to as the HSH Loan Agreement, and our loan agreement with Commerzbank, which we refer to as Kelty Loan Agreement, are secured by mortgages on our vessels, and require us to maintain specified collateral coverage ratios and to satisfy financial covenants, including requirements based on the market value of our vessels and our net worth. Since the middle of 2008, the prevailing conditions in the dry bulk charter market coupled with the general difficulty in obtaining financing for vessel purchases have led to a significant decline in the market values of our vessels. Furthermore, each of our loan arrangements contains a cross-default provision that may be triggered by a default under any of our other loans, other than the unsecured credit facilities with Firment Trading Limited and Silaner Investments Limited, both affiliates of our chairman Mr. George Feidakis, which we refer to as the Firment Credit Facility and Silaner Credit Facility, respectively.

As of December 31, 2015, we were in breach of most of the covenants included in our loan agreements with HSH Nordbank AG, Commerzbank AG and DVB Bank SE and therefore the total amount outstanding for these loans was classified under current liabilities. For a more detailed discussion see Item 5.B Liquidity and Capital Resources—Indebtedness and Note 12 in the Consolidated Financial Statements filed herewith.

Further declines of market values of our vessels may affect our ability to comply with various covenants and could also limit the amount of funds we are permitted to borrow under our current or future loan arrangements. If we are unable to comply with the financial and other covenants under any of the DVB Loan Agreement, the HSH Loan Agreement, the Firment Credit Facility or the Silaner Credit Facility, and if we are unable to obtain relaxations and/or waivers, our lenders could accelerate our indebtedness and foreclose on vessels in our fleet, which would impair our ability to continue to conduct our business. If our indebtedness were 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 if our lenders foreclose upon their liens, which would adversely affect our business, financial condition, ability to continue our business and pay dividends.

For a more detailed discussion on our loan covenants and cross-default provisions, see “Item 5.B Liquidity and Capital Resources—Indebtedness.”

If we sell any vessel at a time when vessel prices have fallen and before we have recorded an impairment adjustment to our consolidated financial statements, the sale price may be agreed at a value lower than the vessel’s depreciated book value as in our consolidated financial statements at that time, resulting in a loss and a respective reduction in earnings. If the market values of our vessels decrease, such decrease and its effects could have a material adverse effect on our business, financial condition, results of operations and ability to pay dividends.

If a determination is made that a vessel’s future useful life is limited or its future earnings capacity is reduced, it could result in an impairment of its value on our consolidated financial statements that would result in a charge against our earnings and the reduction of our stockholders’ equity. These impairment costs could be very substantial.

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

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

Our industry is subject to complex laws and regulations.

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 and operation of our vessels. These requirements include but are not limited to: U.S. Oil Pollution Act 1990, as amended, which we refer to as OPA; International Convention for the Safety of Life at Sea, 1974, as amended, which we refer to as SOLAS; International Convention on Load Lines, 1966; International Convention for the Prevention of Pollution from Ships, 1973, as amended by the 1978 Protocol, which we refer to as MARPOL; International Convention on Civil Liability for Bunker Oil Pollution Damage, 2001, which we refer to as the Bunker Convention; International Convention on Liability and Compensation for Damage in Connection with the Carriage of Hazardous and Noxious Substances by Sea, 1996, as superseded by the 2010 Protocol, which we refer to as the HNS Convention; International Convention on Civil Liability for Oil Pollution Damage of 1969, as amended by the 1992 Protocol and further amended in 2000, which we refer to as the CLC; International Convention on the Establishment of an International Fund for Compensation for Oil Pollution Damage, 1971, as amended, which we refer to as the Fund Convention; and Marine Transportation Security Act of 2002, which we refer to as the MTSA.

Government regulation of vessels, particularly in the area of environmental requirements, can be expected to become more stringent in the future and could require us to incur significant capital expenditures on our vessels to keep them in compliance, or even to scrap or sell certain vessels altogether. Compliance with such laws, regulations and standards, where applicable, may require installation of costly equipment or operational changes and increased management costs 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, the management of ballast water, recycling of vessels, maintenance and inspection, elimination of tin-based paint, development and implementation of safety and emergency procedures and insurance coverage or other financial assurance of our ability to address pollution incidents. These costs could have a material adverse effect on our business, results of operations, cash flows and financial condition and our ability to pay dividends.

These requirements can also affect the resale prices or useful lives of our vessels or require reductions in capacity, vessel modifications or operational changes or restrictions. Failure to comply with these requirements could lead to decreased availability of or more costly insurance coverage for environmental matters or result in the denial of access to certain jurisdictional waters or ports, or detention in certain ports. Under local, national and foreign laws, as well as international treaties and conventions, we could incur material liabilities, including cleanup obligations and claims for impairment of the environment, personal injury and property damages in the event that there is a release of petroleum or other hazardous materials from our vessels or otherwise in connection with our operations. Violations of, or liabilities under, environmental regulations can result in substantial penalties, fines and other sanctions, including, in certain instances, seizure or detention of our vessels. Events of this nature would have a material adverse effect on our business, financial condition and results of operations.

The operation of our vessels is affected by the requirements set forth in the International Management Code for the Safe Operation of Ships and for Pollution Prevention, or ISM Code. The ISM Code requires the party with operational control of the vessel to develop, implement and maintain an extensive “Safety Management System” that includes, among other things, the adoption of a safety and environmental protection policy setting forth instructions and procedures for safe vessel operation and protection of the environment and describing procedures for dealing with emergencies. Further details in relation to the ISM Code are set out below in the section headed “Environmental and Other Regulations”. The failure of a shipowner or bareboat charterer to comply with the ISM Code may subject it to increased liability, and, if the implementing legislation so provides, to criminal sanctions, may invalidate or result in the loss of 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. In addition, if we fail to maintain ISM Code certification for our vessels, we may also breach covenants in certain of our credit and loan facilities that require that our vessels be ISM-Code certified. If we breach such covenants due to failure to maintain ISM Code certification and are unable to remedy the relevant breach, our lenders could accelerate our indebtedness and foreclose on the vessels in our fleet securing those credit and loan facilities. As of the date of this annual report on Form 20-F, each of our vessels is ISM Code-certified.

Climate change and greenhouse gas restrictions may be imposed.

Due to concern over the risk of climate change, a number of countries and the International Maritime Organization, or IMO, have adopted, or are considering the adoption of, regulatory frameworks to reduce greenhouse gas emissions. These regulatory measures may include, among others, adoption of cap and trade regimes, carbon taxes, increased efficiency standards and incentives or mandates for renewable energy. In addition, although the emissions of greenhouse gases from international shipping currently are not subject to the Kyoto Protocol to the United Nations Framework Convention on Climate Change, which required adopting countries to implement national programs to reduce emissions of certain gases, a new treaty may be adopted in the future that includes restrictions on shipping emissions. Compliance with changes in laws, regulations and obligations relating to climate change could increase our costs related to operating and maintaining our vessels and require us to install new emission controls, acquire allowances or pay taxes related to our greenhouse gas emissions, or administer and manage a greenhouse gas emissions program. Revenue generation and strategic growth opportunities may also be adversely affected.

Charterers have been placed under significant financial pressure, thereby increasing our charter counterparty risk.

The continuing weakness in demand for dry bulk shipping services and any future declines in such demand could result in financial challenges faced by our charterers and may increase the likelihood of one or more of our charterers being unable or unwilling to pay us contracted charter rates. We expect to generate most of our revenues from these charters and if our charterers fail to meet their obligations to us, we will sustain significant losses which could have a material adverse effect on our financial condition and results of operations.

Capital expenditures and other costs necessary to operate and maintain our vessels may increase.

Changes in safety or other equipment standards, as well as compliance with standards imposed by maritime self-regulatory organizations and customer requirements or competition, may require us to make additional expenditures. In order to satisfy these requirements, we may, from time to time, be required to take our vessels out of service for extended periods of time, with corresponding losses of revenues. In the future, market conditions may not justify these expenditures or enable us to operate some or all of our vessels profitably during the remainder of their economic lives.

We may also decide that it makes economic sense to lay up one or more vessels. While our vessels are laid up, we will pay lay-up costs, but those vessels will not be able to earn any hire.

Seasonal fluctuations in industry demand could affect us.

We operate our vessels in markets that have historically exhibited seasonal variations in demand and, as a result, in charter rates. This seasonality may result in quarter-to-quarter volatility in our results of operations, which could affect the amount of dividends, if any, that we pay to our shareholders. The market for marine dry bulk transportation services is typically stronger in the fall and winter months in anticipation of increased consumption of coal and other raw materials in the northern hemisphere during the winter months. In addition, unpredictable weather patterns in these months tend to disrupt vessel scheduling and supplies of certain commodities. This seasonality could have a material adverse effect on our business, financial condition and results of operations.

We may also decide that it makes economic sense to lay up one or more vessels. While our vessels are laid up, we will pay lay-up costs, but those vessels will not be able to earn any hire.

Our insurance may not be adequate to cover our losses that may result from our operations.

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, war risk insurance, protection and indemnity insurance, which includes pollution risks, crew insurance and war risk insurance. However, we may not be adequately insured to cover losses from our operational risks, 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 applicable maritime regulatory organizations. Any significant uninsured or underinsured loss or liability could have a material adverse effect on our business, results of operations, cash flows and financial condition and our ability to pay dividends. It may also result in protracted legal litigation. In addition, we may not be able to obtain adequate insurance coverage at reasonable rates in the future during adverse insurance market conditions. We maintain, for each of our vessels, pollution liability coverage insurance for \$1.0 billion per event. If damages from a catastrophic spill exceed our insurance coverage, it would have a materially adverse effect on our business, results of operations and financial condition and our ability to pay dividends to our shareholders.

Moreover, insurers have over the last few years increased premiums and reduced or restricted coverage for losses caused by terrorist acts generally.

In addition, we do not currently carry and may not carry loss-of-hire insurance, which covers the loss of revenue 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, results of operations, financial condition and our ability to pay dividends.

Our vessels are exposed to operational risks.

The operation of any vessel includes risks such as weather conditions, mechanical failure, collision, fire, contact with floating objects, cargo or property loss or damage and business interruption due to political circumstances in countries, piracy, terrorist attacks, armed hostilities and labor strikes. Such occurrences could result in death or injury to persons, loss, damage or destruction of property or environmental damage, delays in the delivery of cargo, loss of revenues from or termination of charter contracts, governmental fines, penalties or restrictions on conducting business, higher insurance rates and damage to our reputation and customer relationships generally.

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. Acts of terrorism and piracy have also affected vessels trading in regions such as the South China Sea, the Gulf of Aden and parts of the Indian Ocean and West Africa. Continuing conflicts and recent developments in the Middle East and North Africa, including Egypt, Syria, Iran, Iraq and Libya, and the presence of United States and other armed forces in the Middle East and Asia could produce armed conflict or be the target of terrorist attacks, and lead to civil disturbance and uncertainty in financial markets. If these attacks and other disruptions result in areas where our vessels are deployed being characterized by insurers as “war risk” zones or Joint War Committee “war, strikes, terrorism and related perils” listed areas, premiums payable for such coverage could increase significantly and such insurance coverage may be more difficult or impossible to obtain. In addition, there is always the possibility of a marine disaster, including oil spills and other environmental damage. Although our vessels carry a relatively small amount of oil used for fuel (“bunkers”), a spill of oil from one of our vessels or losses as a result of fire or explosion could be catastrophic under certain circumstances.

We may not be adequately insured against all risks, and our insurers may not pay particular claims. With respect to war risks insurance, which we usually obtain for certain of our vessels making port calls in designated war zone areas, such insurance may not be obtained prior to one of our vessels entering into an actual war zone, which could result in that vessel not being insured. Even if our insurance coverage is adequate to cover our losses, we may not be able to timely obtain a replacement vessel in the event of a loss. Under the terms of our credit facilities, we will be subject to restrictions on the use of any proceeds we may receive from claims under our insurance policies. Furthermore, in the future, we may not be able to maintain or obtain adequate insurance coverage at reasonable rates for our fleet. We may also be subject to calls, or premiums, in amounts based not only on our own claim records but also the claim records of all other members of the protection and indemnity associations through which we receive indemnity insurance coverage for tort liability. Our insurance policies also contain deductibles, limitations and exclusions which may increase our costs in the event of a claim or decrease any recovery in the event of a loss. If the damages from a catastrophic oil spill or other marine disaster exceeded our insurance coverage, the payment of those damages could have a material adverse effect on our business and could possibly result in our insolvency.

In general, we do not carry loss of hire insurance. Occasionally, we may decide to carry loss of hire insurance when our vessels are trading in areas where a history of piracy has been reported. Loss of hire insurance covers the loss of revenue during extended vessel off-hire periods, such as those that occur during an unscheduled drydocking or unscheduled repairs due to damage to the vessel. Accordingly, any loss of a vessel or any extended period of vessel off-hire, due to an accident or otherwise, could have a material adverse effect on our business, financial condition and results of operations.

We may also decide that it makes economic sense to lay up one or more vessels. While our vessels are laid up, we will pay lay-up costs, but those vessels will not be able to earn any hire.

We may be subject to funding calls by our protection and indemnity clubs, and our clubs may not have enough resources to cover claims made against them.

We are indemnified for legal liabilities incurred while operating our vessels through membership of protection and indemnity, or P&I, associations, otherwise known as P&I clubs. P&I clubs are mutual insurance clubs whose members must contribute to cover losses sustained by other club members. The objective of a P&I club is to provide mutual insurance based on the aggregate tonnage of a member’s vessels entered into the club. Claims are paid through the aggregate premiums of all members of the club, although members remain subject to calls for additional funds if the aggregate premiums are insufficient to cover claims submitted to the club. Claims submitted to the club may include those incurred by members of the club, as well as claims submitted by other P&I clubs with which our club has entered into interclub agreements. We cannot assure you that the P&I club to which we belong will remain viable or that we will not become subject to additional funding calls, which could adversely affect us.

If our vessels suffer damage, they may need to be repaired at a drydocking facility. The costs of drydocking repairs are unpredictable and may be substantial. We may have to pay drydocking costs that our insurance does not cover in full. The loss of earnings while these vessels are being repaired and repositioned, as well as the actual cost of these repairs, would decrease our earnings. 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 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 would decrease our earnings.

We may be subject to increased inspection procedures, tighter import and export controls and new security regulations.

International shipping is subject to various security and customs inspection and related procedures in countries of origin and destination and trans-shipment points. Inspection procedures can result in the seizure of the cargo and contents of our vessels, delays in the loading, offloading or delivery 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. Furthermore, 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 impractical. Any such changes or developments may have a material adverse effect on our business, financial condition, results of operations and our ability to pay dividends.

Rising fuel prices may adversely affect our profits.

Fuel is a significant, if not the largest, expense if vessels are under voyage charter or if consumed during ballast days. Moreover, the cost of fuel will affect the profit we can earn on the spot market. Upon redelivery of vessels at the end of a time charter, we may be obliged to repurchase the fuel on board at prevailing market prices, which could be materially higher than fuel prices at the inception of the time charter period. As a result, an increase in the price of fuel may adversely affect our profitability. The price and supply of fuel is unpredictable and fluctuates based on events outside our control, including geopolitical events, supply and demand for oil and gas, actions by the Organization of the Petroleum Exporting Countries and other oil and gas producers, war and unrest in oil producing countries and regions, regional production patterns and environmental concerns. Further, fuel may become much more expensive in the future, which may reduce the profitability and competitiveness of our business versus other forms of transportation, such as truck or rail.

Increases in crew costs may adversely affect our profits.

Crew costs are a significant expense for us under our charters. There is a limited supply of well-qualified crew. We generally bear crewing costs under our charters. Increases in crew costs may adversely affect our profitability.

The operation of dry bulk vessels has certain unique operational risks.

The operation of certain vessel types, such as dry bulk vessels, has certain unique risks. With a dry bulk vessel, the cargo itself and its interaction with the vessel can be a risk factor. By their nature, dry bulk cargoes are often heavy, dense, easily shifted and react badly to water exposure. In addition, dry bulk vessels are often subjected to battering during unloading operations with grabs, jackhammers (to pry encrusted cargoes out of the hold) and small bulldozers. This may cause damage to the vessel. Vessels damaged due to treatment during unloading procedures may be more susceptible to breach while at sea. Hull breaches in dry bulk vessels may lead to the flooding of the vessels holds. If a dry bulk vessel suffers flooding in its forward holds, the bulk cargo may become so dense and waterlogged that its pressure may buckle the vessels bulkheads leading to the loss of a vessel. If we are unable to adequately maintain our vessels we may be unable to prevent these events. Any of these circumstances or events could negatively impact our business, financial condition, results of operations and ability to pay dividends. In addition, the loss of any of our vessels could harm our reputation as a safe and reliable vessel owner and operator.

Maritime claimants could arrest our vessels.

Crew members, suppliers of goods and services to a vessel, shippers of cargo and other parties may be entitled to a maritime lien against a vessel, or other assets of the relevant vessel-owning company, for unsatisfied debts, claims or damages even if we are not at fault, for example, if we pay a supplier for bunkers who subcontracts the supply and does not pay such subcontractor. 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 cause us to default on a charter, breach covenants in the DVB Loan Agreement, or the HSH Loan Agreement, interrupt our cash flow and require us to pay large sums of money to have the arrest or attachment lifted. Please see “Item 5.B. Liquidity and Capital Resources—Indebtedness” for further information.

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 one vessel in our fleet for claims relating to another of our vessels.

Governments could requisition our vessels during a period of war or emergency.

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 the owner. Requisition for hire occurs when a government takes control of a vessel and effectively becomes the charterer at dictated charter rates. Generally, requisitions occur during a period of war or emergency, although governments may elect to requisition vessels in other circumstances. Even if 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 business, financial condition, results of operations and ability to pay dividends.

The ongoing uncertainty related to the Greek sovereign debt crisis may adversely affect our operating results.

Greece has experienced a macroeconomic downturn during recent years, including as a result of the sovereign debt crisis and the related austerity measures implemented by the Greek government. Our operations in Greece may be subjected to new regulations or regulatory action that may require us to incur new or additional compliance or other administrative costs and may require that we pay to the Greek government new taxes or other fees. We also face the risk that strikes, work stoppages, civil unrest and violence within Greece may disrupt our shore-side operations located in Greece. The Greek government’s taxation authorities have increased their scrutinization of individuals and companies to secure tax law compliance. If economic and financial market conditions remain uncertain, persist or deteriorate further, the Greek government may impose further changes to tax and other laws to which may be subject or change the ways they are enforced, which may adversely affect our business, compliance costs, operating results, and financial condition.

Compliance with safety and other vessel requirements imposed by classification societies may be costly.

The hull and machinery of every commercial vessel must be certified as safe and seaworthy in accordance with applicable rules and regulations, and accordingly vessels must undergo regular surveys. All of the vessels that we operate or manage are classed by one of the major classification societies, including Nippon Kaiji Kyokai (Class NK), DNV GL, Bureau Veritas and Rina Services SPA. Vessels must undergo annual surveys, immediate 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 over a five-year period. Our vessels are on special survey cycles for hull inspection and continuous survey cycles for machinery inspection. Every vessel is also required to be drydocked every two to three years for inspection of its underwater parts. If any vessel does not maintain its class and/or fails any annual, intermediate or special survey, the vessel may be unable to trade between ports and may be unemployable which could trigger the violation of certain covenants in the DVB Loan Agreement and the HSH Loan Agreement. Such an occurrence could have a material adverse impact on our business, financial condition, results of operations and ability to pay dividends. Please see “Item 5.B. Liquidity and Capital Resources—Indebtedness” for further information.

A further economic slowdown or changes in the economic, regulatory and political environment in the Asia Pacific region could reduce dry bulk trade demand.

A significant number of the port calls made by our vessels involve the transportation of dry bulk products to ports in the Asia Pacific region. As a result, continued economic slowdown in the region or changes in the regulatory environment, and particularly in China or Japan, could have an adverse effect on our business, results of operations, cash flows and financial condition. Before the global economic financial crisis that began in 2008, China had one of the world’s fastest growing economies in terms of gross domestic product, or GDP, which had a significant impact on shipping demand. The growth rate of China’s GDP continues to remain below pre-2008 levels. In addition, China has imposed measures to restrain lending, which may further contribute to a slowdown in its economic growth. China and other countries in the Asia Pacific region may continue to experience slowed or even negative economic growth in the future.

Many of the economic and political reforms adopted by the Chinese government are unprecedented or experimental and may be subject to revision, change or abolition based upon the outcome of such experiments. If the Chinese government does not continue to pursue a policy of economic reform, the level of imports of exports of dry bulk products to and from China could be adversely affected by changes to these economic reforms by the Chinese government, as well as by changes in political, economic and social conditions or other relevant policies of the Chinese government, such as changes in laws, regulations or restrictions on importing commodities into the country. Notwithstanding economic reform, the Chinese government may adopt policies that favor domestic shipping companies and may hinder our ability to compete with them effectively. Moreover, a significant or protracted slowdown in the economies of the United States, the European Union or various Asian countries or changes in the regulatory environment may adversely affect economic growth in China and elsewhere. Our business, results of operations, cash flows and financial condition could be materially and adversely affected by an economic downturn or changes in the regulatory environment in any of these countries.

We conduct a substantial amount of business in China.

The Chinese legal system is based on written statutes and their legal interpretation by the Standing Committee of the National People’s Congress. Prior court decisions may be cited for reference but have limited precedential value. Since 1979, the Chinese government has been developing a comprehensive system of commercial laws, and considerable progress has been made in introducing laws and regulations dealing with economic matters such as foreign investment, corporate organization and governance, commerce, taxation and trade. However, because these laws and regulations are relatively new, there is a general lack of internal guidelines or authoritative interpretive guidance and because of the limited number of published cases and their non-binding nature interpretation and enforcement of these laws and regulations involve uncertainties. We conduct a substantial portion of our business in China or with Chinese counter parties. For example, we enter into charters with Chinese customers, which charters may be subject to new regulations in China. We may, therefore, be required to incur new or additional compliance or other administrative costs, and pay new taxes or other fees to the Chinese government. Changes in laws and regulations, including with regards to tax matters, and their implementation by local authorities could affect our vessels that are either chartered to Chinese customers or that call to Chinese ports and could have a material adverse effect on our business, results of operations and financial condition and our ability to pay dividends.

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. 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. 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, although it still acts with greater control than a truly free-market economy. Many of the Chinese government’s 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.

If economic conditions throughout the world do not improve, it will impede our operations.

Negative trends in the global economy that emerged in 2008 continue to adversely affect global economic conditions. In addition, the world economy continues to face a number of new challenges, including uncertainty related to the winding down of the U.S. Federal Reserve’s bond buying program and declining global growth rates. These challenges also include continuing turmoil and hostilities in the Middle East, Ukraine, North Africa and other geographic areas and countries and continuing economic weakness in the European Union. An extended period of deterioration in the outlook for the world economy could increase our bunker prices and lessen overall demand for our services. Such changes could adversely affect our results of operations and cash flows.

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. We cannot predict how long the current market conditions will last. However, these recent and developing economic and governmental factors, together with the concurrent decline in charter rates and vessel values, may have a material adverse effect on our results of operations and may cause the price of our common shares to decline.

Continued economic slowdown in the Asia Pacific region, particularly in China, may exacerbate the effect on us, as we anticipate a significant number of the port calls made by our vessels will continue to involve the loading or discharging of dry bulk commodities in ports in the Asia Pacific region. Before the global economic financial crisis that began in 2008, China had one of the world’s fastest growing economies in terms of GDP, which had a significant impact on shipping demand. The growth rate of China’s GDP is estimated to have decreased to approximately 6.9% for the year ended December 31, 2015, which is China’s lowest growth rate for the past five years, and continues to remain below pre-2008 levels. China has recently imposed measures to restrain lending, which may further contribute to a slowdown in its economic growth, while it has announced plans to gradually transition from an investment led growth model to a consumption driven economic growth model, which could lead to smaller demand for iron ore and other commodities. This transition may take place over the span of a number of years, and there can be no assurance as to the time frame for such a transformation or that any such transformation will occur at all. It is possible that China and other countries in the Asia Pacific region will continue to experience slowed or even negative economic growth in the near future. Moreover, the current economic slowdown in the economies of the United States, the European Union and other Asian countries may further adversely affect economic growth in China and elsewhere. Our business, financial condition and results of operations, ability to pay dividends, if any, as well as our future prospects, will likely be materially and adversely affected by a further economic downturn in any of these countries.

Company Specific Risk Factors

There are doubts about our ability to continue as a going concern.

We had a working capital deficit (being our total consolidated current liabilities exceeding our total consolidated current assets) of \$64.9 million as of December 31, 2015. See “—At December 31, 2015, Globus’s current liabilities exceeded its current assets” for more information.

As of December 31, 2015, we were in breach in most of the covenants included in our loan agreements with HSH Nordbank AG, Commerzbank AG and DVB Bank SE. Although none of the lenders declared an event of default and we have obtained relaxations and waivers as described herein, if breaches like these persist, our lenders may require immediate repayment of their loans.

Our ability to become profitable depends upon our ability to generate revenues and/or obtain financing adequate to fulfill our shipping activities, and achieving a level of revenues adequate to support our operating expenses has raised substantial doubts about our ability to continue as a going concern. We plan to attempt to raise additional capital by selling securities through one or more private placement or public offerings, which may include a rights offering, or by borrowing additional funds. All of our vessels are pledged as collateral to a bank, and therefore if we were to sell one or more vessels, the net proceeds of such sale would be used first to repay the outstanding debt to which the vessel is collateralized with, and the remainder, if any, would be for our use, subject to the terms of our remaining loan and credit arrangements. However, the doubts raised relating to our ability to continue as a going concern may make our securities an unattractive investment for potential investors. These factors, among others, may make it difficult to raise any additional capital.

We have a number of unsecured credit facilities outstanding in addition to secured loan agreements. When those unsecured credit facilities, namely the Firment Credit Facility and Silaner Credit Facility, become due, it is not likely that we will have the cash flow to repay these facilities if the current economic conditions don’t improve, unless we are able to raise funds by incurring new debt or issuing new securities.

At December 31, 2015, Globus’s current liabilities exceeded its current assets.

Working capital, which is current assets, minus current liabilities, including the current portion of long-term debt, amounted to a working capital deficit of \$64.9 million as of December 31, 2015.

Current liabilities include:

- (1) the total amount outstanding of \$27.3 million with respect to the HSH Loan Agreement with HSH Nordbank AG. Globus reached to an agreement in principle (which is subject to completing final documentation) with HSH Nordbank AG in April 2016, which included the principal repayment of \$1.39 million in 2016. For more information, see Item 5.B Liquidity and Capital Resources – Indebtedness.”
- (2) the total amount outstanding of \$15.65 million with respect to the Kelty Loan Agreement. In March 2016, Globus reached a settlement agreement with Commerzbank. Commerzbank agreed to settle the outstanding indebtedness of \$15.65 million in return for the sale of the shares of Kelty Marine Ltd. for \$6.86 million plus overdue interest of \$40,708. If the total amount of cash and bank balances and bank deposits exceeds \$10 million in the aggregate as declared on June 30, 2016 then we must pay to Commerzbank any excess amounts. If there is no excess, Globus will be released from its guarantee. For more information, see Item 5.B Liquidity and Capital Resources – Indebtedness.”
- (3) the total amount outstanding of \$21 million with respect to the Loan Agreement with DVB Bank SE. In April 2016, Globus reached an agreement with the lender on certain amendments and waivers to the terms of the loan agreement which are valid for the period from March 1, 2016 to March 31, 2017. It was agreed that Globus will make a principal prepayment of \$1.7 million for 2016, which we have made, and the remaining amount will be deferred to the balloon payments. For more information, see Item 5.B Liquidity and Capital Resources – Indebtedness.”

As of December 31, 2015, the Company was in breach of the financial covenants included in all of its loan agreements, the total outstanding balance of those loans was classified under current liabilities, except for the outstanding balance with Firment Trading Limited.

In March 2016, the Company reached a settlement with Commerzbank AG, and in April 2016 the Company entered into a supplemental agreement with DVB Bank SE and an agreement in principle (which is subject to completing final documentation) with HSH Nordbank AG. Subject to completing final documentation with HSH Nordbank AG, all the covenant breaches were remediated or waived. For more information, see Item 5.B Liquidity and Capital Resources – Indebtedness.”

After the effect of these agreements the working capital deficit becomes approximately \$20 million as of December 31, 2015.

We were in breach of the covenants contained in the DVB Loan Agreement and the HSH Loan Agreement.

As of December 31, 2015, the Company was in breach of the financial covenants included in all of its loan agreements, the total outstanding balance of those loans was classified under current liabilities, except for the outstanding balance with Firment Trading Limited.

We received relaxations and/or waivers regarding the covenants contained in the DVB Loan Agreement and HSH Loan Agreement in April 2016. Our supplemental agreement with HSH Nordbank AG is subject to completing final documentation. The relaxations and/or waivers conditionally provide for the suspension of certain financial covenants, including maintaining a minimum liquidity and minimum net worth, and allows for certain payments of dividends.

See “Item 5.B Liquidity and Capital Resources – Indebtedness.”

All our loan arrangements with third parties (that is, all of our loan arrangements other than the Firment Credit Facility and the Silaner Credit Facility, which are both affiliates of our chairman Mr. George Feidakis) contain cross-default provisions that provide that if we are in default under any of our loan arrangements, the lender of another loan arrangement can declare a default under its other loan arrangement, which could result in our default of all of our loan arrangements. Because of the presence of cross-default provisions in these loan arrangements, the refusal of any lender to grant or extend a relaxation or waiver could result in most of our indebtedness being accelerated, notwithstanding that other lenders have relaxed or waived covenant defaults under their respective loan arrangements. Our supplemental agreement with HSH Nordbank AG is subject to completing final documentation.

As of the date of this annual report on Form 20-F, none of our lenders had declared an event of default under the relevant loan agreements for which we were not in compliance as of December 31, 2015.

Restrictive covenants in the DVB Loan Agreement and the HSH Loan Agreement may impose financial and other restrictions on us, including cross-default provisions, and we cannot assure you that we will be able to borrow funds from future debt arrangements.

The DVB Loan Agreement and the HSH Loan Agreement impose operating and financial restrictions on us. These restrictions may limit our ability to, among other things:

- create or permit liens on our assets;
- engage in mergers or consolidations;
- change the flag or classification society of our vessels;
- pay dividends; and
- change the management of our vessels.

These restrictions could limit our ability to finance our future operations or capital needs, make acquisitions or pursue available business opportunities. In addition, the DVB Loan Agreement and the HSH Loan Agreement will, and future credit arrangements will likely, require us to maintain specified financial ratios and satisfy financial covenants during the remaining terms of such agreements, some of which are based upon the market value of our fleet. If the market value of our fleet declines sharply, we may not be in compliance with certain provisions of the DVB Loan Agreement and the HSH Loan Agreement, and we may not be able to refinance our debt or obtain additional financing. The market value of dry bulk vessels is sensitive, among other things, to changes in the dry bulk charter market, with vessel values deteriorating in times when dry bulk charter rates are falling and improving when charter rates are anticipated to rise. The current low charter rates in the dry bulk market, along with the oversupply of dry bulk carriers and the prevailing difficulty in obtaining financing for vessel purchases, have adversely affected dry bulk vessel values, including the vessels in our fleet. As a result, we may not meet certain minimum asset coverage ratios and other financial ratios which are included in our loan arrangements.

For a more detailed discussion on our loan covenants, including breaches of them and relaxations and/or waivers we obtained, see “Item 5.B Liquidity and Capital Resources—Indebtedness.”

Events beyond our control, including changes in the economic and business conditions in the shipping sectors in which we operate, may affect our ability to comply with these covenants. We cannot assure you that we will satisfy these requirements or that our lenders will remediate or waive any failure to do so.

If an event of default occurs under the DVB Loan Agreement or the HSH Loan Agreement the respective lender could elect to declare the outstanding debt, together with accrued interest and other fees, to be immediately due and payable and proceed against the collateral securing that debt, which could constitute all or substantially all of our assets.

Furthermore, each of our loan arrangements with third parties contains a cross-default provision that may be triggered by a default under any of our other loans (This excludes the unsecured credit facility with Firment Trading Limited and Silaner Investments Limited, which are both affiliates of our chairman Mr. George Feidakis.) A cross-default provision means that a default on one loan could result in a default on all of our other loans. Because of the presence of cross-default provisions in these secured loan arrangements, the refusal of any one lender to grant or extend a relaxation or waiver could result in most of our indebtedness being accelerated even if our other secured lenders have relaxed or waived covenant defaults under their respective loan arrangements. If our indebtedness is accelerated, it will be very 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 their liens, and our ability to conduct our business would be severely impaired.

Our discretion is limited because we may need to obtain consent from our lenders in order to engage in certain corporate actions. Our lenders’ interests may be different from ours, and we cannot guarantee that we will be able to obtain our lenders’ consent when needed. This may limit our ability to pay dividends to our shareholders, finance our future operations or pursue business opportunities.

We cannot assure you that we will be able to refinance our existing indebtedness or obtain additional financing.

We may finance future fleet expansion with additional secured indebtedness. While we may refinance amounts drawn under the DVB Loan Agreement, the HSH Loan Agreement, the Firment Credit Facility or Silaner Credit Facility or secure new debt facilities with the net proceeds of future debt and equity offerings, we cannot assure you that we will be able to do so at an interest rate or on terms that are acceptable to us or at all. Our ability to obtain bank financing or to access the capital markets for future offerings may be limited by our financial condition at the time of any such financing or offering, including the actual or perceived credit quality of our charterers and the market value of our fleet, as well as by adverse market conditions resulting from, among other things, general economic conditions, weakness in the financial markets and contingencies and uncertainties that are beyond our control. Significant contraction, de-leveraging and reduced liquidity in credit markets worldwide is reducing the availability and increasing the cost of credit.

If we are not able to refinance the DVB Loan Agreement, the HSH Loan Agreement, the Firment Credit Facility and the Silaner Credit Facility or obtain new debt financing on terms acceptable to us, we will have to dedicate a 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. In addition, debt service payments under the DVB Loan Agreement, the HSH Loan Agreement, the Firment Credit Facility and the Silaner Credit Facility or alternative financing may limit funds otherwise available for working capital, capital expenditures, the payment of dividends and other purposes. Our inability to obtain additional or replacement financing at anticipated costs or at all may materially affect our results of operation, our ability to implement our business strategy, our payment of dividends and our ability to continue as a going concern.

In December 2013, we entered into a credit facility for up to \$4.0 million with Firment Trading Limited, a company related to us through common control, for the purpose of financing its general working capital needs. During December 2014, the credit limit of the facility increased from \$4.0 to \$8.0 million, and in December 2015 the credit limit of the facility increased from \$8.0 to \$20.0 million. In December 2015, the Firment Credit Facility was assigned from Firment Trading Limited, a Cypriot company, to Firment Trading Limited, a Marshall Islands corporation, each of which is a company related to us through common control. We have the right to drawdown any amount up to \$20.0 million or prepay any amount, during the availability period, in multiples of \$0.1 million. Currently, we have \$15.9 million drawn under the Firment Credit Facility. Any prepaid amount can be re-borrowed in accordance with the terms of the Firment Credit Facility. Please read “Item 5.B. Liquidity and Capital Resources—Indebtedness” for further information.

In February 2015, we entered into a new loan agreement with HSH Nordbank AG, the HSH Loan Agreement, for up to \$30.0 million for the purpose of a partial refinancing of our then existing credit facility with Credit Suisse AG. Please read “Item 5.B. Liquidity and Capital Resources—Indebtedness” for further information. We were in breach of covenants contained in this agreement as of December 31, 2015, and have agreed with HSH to relax or waive certain provisions thereof. Our supplemental agreement with HSH Nordbank AG is subject to completing final documentation.

It was agreed that the Company would receive relaxations and/or waivers or covenant amendments until March 2017 regarding the financial covenants contained in the HSH Loan Agreement. More specifically we agreed:

- the aggregate fair market value of the mortgaged vessels must equal or exceed 60% of the outstanding balance under the loan agreement instead of 125%;
- the ratio of Globus’s total liabilities to its market adjusted total assets shall always be not higher than 200% instead of 75%;
- the Company’s requirement to maintain a minimum market adjusted net worth of more than or equal \$30 million was waived;
- the vessel owning subsidiaries must each maintain a minimum liquidity of \$70,000 in an account pledged to the bank instead of \$250,000; and
- The requirement that Globus maintain a minimum liquidity of greater than 5% of its consolidated indebtedness was waived. Please see “Item 5.B. Liquidity and Capital Resources—Indebtedness” for further information.

In January 2016, we entered into a credit facility for up to \$3.0 million with Silaner Investments Limited, a company related to us through common control, for the purpose of financing its general working capital needs. Currently, we have \$2.15 million drawn under the Silaner Credit Facility. Any prepaid amount can be re-borrowed in accordance with the terms of the Silaner Credit Facility. Please read “Item 5.B. Liquidity and Capital Resources—Indebtedness” for further information.

We may not finalize documentation on our April 2016 loan modification from HSH.

In April, 2016 we reached an agreement in principle with HSH which, among other matters, modified our loan repayment schedule and relaxed or waived what would have otherwise been violations of loan covenants. We intend to complete the formal documentation of this arrangement and have no reason to believe that HSH does not similarly intend to do so.

If we are unable to complete formal documentation of this agreement, and are unable to enforce the terms of the agreement in principle or to otherwise refinance the HSH Loan Agreement or obtain new debt financing on terms acceptable to us, we will have to dedicate a 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, and we would be in breach of the covenants under the HSH Loan Agreement. Even if we enforce the terms that we believe have been agreed, such may take a fair amount of time and expense to accomplish.

In addition, debt service payments under the HSH Loan Agreement may limit funds otherwise available for working capital, capital expenditures, the payment of dividends and other purposes. Our inability to obtain additional or replacement financing at anticipated costs or at all may materially affect our results of operation, our ability to implement our business strategy, our payment of dividends and our ability to continue as a going concern.

Please see “Item 5.B. Liquidity and Capital Resources—Indebtedness” for further information.

Our common shares may be delisted from Nasdaq, which could affect its market price and liquidity.

We are required to meet certain qualitative and financial tests (including a minimum bid price for our common shares of \$1.00 per share, at least 500,000 publicly held shares, at least 300 public holders, and a market value of publicly held securities of \$1 million), as well as other corporate governance standards, to maintain the listing of our common shares on the Nasdaq Capital Market. It is possible that we could fail to satisfy one or more of these requirements. There can be no assurance that we will be able to maintain compliance with the minimum bid price, shareholders’ equity, number of publicly held shares or other listing standards in the future. We may receive notices from Nasdaq that we have failed to meet its requirements, and proceedings to delist our stock could be commenced. In such event, Nasdaq rules permit us to appeal any delisting determination to a Nasdaq Hearings Panel. If we are unable to maintain or regain compliance in a timely manner and our common shares are delisted, it could be more difficult to buy or sell our common shares and obtain accurate quotations, and the price of our shares could suffer a material decline. Delisting may also impair our ability to raise capital. Delisting of our shares would breach a number of our credit facilities and loan arrangements, some of which contain cross default provisions. There could also be adverse tax consequences—please read “Item 10.E Taxation – United States Tax Considerations - United States Federal Income Taxation of United States Holders – Distributions” for further information.

In October 2015, when the Company’s common shares traded on the Nasdaq Global Market, the Company received written notification from the Nasdaq Stock Market dated October 22, 2015 indicating that because the market value of the Company's publicly held common stock ("MVPHS") for the previous 30 consecutive business days was below the minimum requirement of \$5,000,000, the Company no longer met the minimum MVPHS continued listing requirement for the Nasdaq Global Market, as set forth in the Nasdaq Listing Rule 5450(b)(1)(C). Pursuant to Nasdaq Listing Rule 5810(c)(3)(D), the Company was granted a grace period of 180 calendar days (or until April 19, 2016) to regain compliance with Nasdaq's MVPHS requirement. Furthermore, in November 2015, the Company received written notification from the Nasdaq Stock Market dated November 9, 2015 indicating that because the closing bid price of the Company’s common stock for the previous 30 consecutive business days was below \$1.00 per share, the Company no longer met the minimum bid price continued listing requirement for the Nasdaq Global Market, as set forth in Nasdaq Listing Rule 5450(a)(1). Pursuant to Nasdaq Listing Rules, the applicable grace period to regain compliance was 180 days, or until May 9, 2016. Subsequent to these two events the Company monitored closely both its MVPHS and closing bid price and looked into ways of curing both deficiencies. The Company transferred from the Nasdaq Global Market to the Nasdaq Capital Market, where the MVPHS requirement is only \$1,000,000. The Company’s common shares commenced trading on the Nasdaq Capital Market on April 11, 2016. However, the Company is still facing the bid price requirement deadline of May 9, 2016. If at that time, and as per the November 9, 2015 letter the Company received, it meets the \$1,000,000 MVPHS and all other initial listing standards (except the bid price) then the Company will receive a written notification from Nasdaq confirming its eligibility for a second grace period of 180 days. The Company deems it in the best interest of its shareholders to remain listed and currently intends to do so by providing a written notice to Nasdaq of its intention to effect a reverse stock split if necessary.

We may be unable to successfully employ our vessels on long-term time charters or take advantage of favorable opportunities involving short-term or spot market charter rates.

Our strategy involves employing our vessels primarily on time charters generally with durations between three months and five years. As of December 31, 2015, all of our vessels were employed on short-term time charters or on spot charters. Although time charters with durations of one to five years may provide relatively steady streams of revenue, if our vessels were committed to such charters they may not be available for re-chartering or for spot market voyages when such employment would allow us to realize the benefits of comparably more favorable charter rates. In addition, in the future, we may not be able to enter into new time charters on favorable terms. The market is volatile, and in the past charter rates have declined below operating costs of vessels and such is currently the case. If we are required to enter into a charter when charter rates are low, employ our vessels on the spot market during periods when charter rates have fallen or we are unable to take advantage of short-term opportunities on the spot or charter market, our earnings and profitability could be adversely affected. We cannot assure you that future charter rates will enable us to operate our vessels profitably or to pay dividends, or both.

We may also decide that it makes economic sense to lay up one or more vessels. While our vessels are laid up, we will pay lay-up costs, but those vessels will not be able to earn any hire.

As we expand our business, we may have difficulty improving our operating and financial systems and recruiting suitable employees and crew for our vessels.

Our current operating and financial systems may not be adequate if we expand the size of our fleet, and our attempts to improve those systems may be ineffective. In addition, as we seek to expand our internal technical management capabilities and our fleet, we or our crewing agents may need to recruit suitable additional seafarers and shore based administrative and management personnel. We cannot guarantee that we or our crewing agents will be able to hire suitable employees or a sufficient number of employees if and as we expand our fleet. If we or our crewing agent encounter business or financial difficulties, we may not be able to adequately staff our vessels. If we are unable to develop and maintain effective financial and operating systems or to recruit suitable employees as we expand our fleet, our financial performance may be adversely affected and, among other things, the amount of cash available for distribution as dividends to our shareholders may be reduced or eliminated.

Recently, the limited supply of and increased demand for well-qualified crew, due to the increase in the size of the global shipping fleet, has created upward pressure on crewing costs, which we generally bear under our time and spot charters. Increases in crew costs may adversely affect our profitability, results of operations, cash flows, financial condition and ability to pay dividends.

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

We expect that our vessels will call at ports where smugglers may attempt to hide drugs and other contraband on vessels, with or without the knowledge of crew members. To the extent that our vessels are found with contraband, whether inside or attached to the hull of our vessel, and whether with or without the knowledge of any of our crew, we may face governmental or other regulatory claims that could have an adverse effect on our business, results of operations, cash flows, financial condition and ability to pay dividends.

Labor interruptions could disrupt our business.

Our vessels are manned by masters, officers and crews (totaling 133 as of December 31, 2015). Seafarers manning the vessels in our fleet are covered by industry-wide collective bargaining agreements that set basic standards. Any labor interruptions or employment disagreements with our crew members could disrupt our operations and could have a material adverse effect on our business, results of operations, cash flows, financial condition and ability to pay dividends. We cannot assure you that collective bargaining agreements will prevent labor interruptions.

Our charterers may renegotiate or default on their charters.

Our charters provide the charterer the right to terminate the charter on the occurrence of stated events or the existence of specified conditions. In addition, the ability and willingness of each of our charterers to perform its obligations under its charter with us will depend on a number of factors that are beyond our control. These factors may include general economic conditions, the condition of the dry bulk shipping industry and the overall financial condition of the counterparties. The costs and delays associated with the default of a charterer of a vessel may be considerable and may adversely affect our business, results of operations, cash flows, financial condition and ability to pay dividends.

In the recent depressed dry bulk market conditions, there have been numerous reports of charterers renegotiating their charters or defaulting on their obligations under their charters. If our current charterers or a future charterer defaults on a charter, we will seek the remedies available to us, which may include arbitration or litigation to enforce the contract, although such efforts may not be successful and for short term charters may cost more to enforce than the potential recovery. We cannot predict whether our charterers will, upon the expiration of their charters, re-charter our vessels on favorable terms or at all. If our charterers decide not to re-charter our vessels, we may not be able to re-charter them on terms similar to the terms of our current charters or at all. If we receive lower charter rates under replacement charters or are unable to re-charter all of our vessels, this may adversely affect our business, results of operations, cash flows, financial condition and ability to pay dividends.

The aging of our fleet may result in increased operating costs in the future.

In general, the cost of maintaining a vessel in good operating condition increases with the age of the vessel. As of December 31, 2015 and 2014, the weighted average age of the vessels in our fleet was 7.4 and 8.1 years, respectively. As of March 31, 2016, the weighted average age of the five vessels we own was 8.1. Our oldest vessel was built in 2005, and our youngest vessel was built in 2010. As our fleet ages, we will incur increased costs. Older vessels are typically less fuel efficient and more costly to maintain than more recently constructed vessels due to improvements in engine technology. Cargo insurance rates, paid by charterers, increase with the age of a vessel, making older vessels less desirable to charterers. Governmental regulations, safety or other equipment standards related to the age of vessels may require expenditures for alterations or the addition of new equipment, to our vessels and may restrict the type of activities in which our vessels may engage. We cannot assure you that, as our vessels age, further market conditions will justify those expenditures or enable us to operate our vessels profitably during the remainder of their useful lives.

We may also decide that it makes economic sense to lay up one or more vessels. While our vessels are laid up, we will pay lay-up costs, but those vessels will not be able to earn any hire.

We may have difficulty managing our planned growth properly.

Any future acquisitions of additional vessels will impose additional responsibilities on our management and staff and may require us to increase the number of our personnel. In the event of a future acquisition of additional vessels, we will also have to increase our customer base to provide continued employment for the new vessels.

We intend to continue to stabilize and then to try to grow our business through disciplined acquisitions of vessels that meet our selection criteria and newly built vessels if we can negotiate attractive purchase prices. Our future growth will primarily depend on:

- locating and acquiring suitable vessels;
- identifying and consummating acquisitions;
- enhancing our customer base;
- managing our expansion; and
- obtaining required financing on acceptable terms.

A delay in the delivery to us of any such vessel, or the failure of the shipyard to deliver a vessel at all, could cause us to breach our obligations under a related charter and could adversely affect our earnings. In addition, the delivery of any of these vessels with substantial defects could have similar consequences. A shipyard could fail to deliver a new-building on time or at all because of:

- work stoppages or other hostilities or political or economic disturbances that disrupt the operations of the shipyard;
- quality or engineering problems;
- bankruptcy or other financial crisis of the shipyard;
- a backlog of orders at the shipyard;
- weather interference or catastrophic events, such as major earthquakes or fires;
- our requests for changes to the original vessel specifications or disputes with the shipyard;
- shortages of or delays in the receipt of necessary construction materials, such as steel; or
- shortages of or delays in the receipt of necessary equipment, such as main engines, electricity generators and propellers.

In addition, if we enter a new-building or secondhand contract in the future, we may seek to terminate the contract due to market conditions, financing limitations or other reasons. The outcome of contract termination negotiations may require us to forego deposits on construction or purchase and pay additional cancellation fees. In addition, where we have already arranged a future charter with respect to the terminated new-building contract, we would need to provide an acceptable substitute vessel to the charterer to avoid breaching our charter agreement.

During periods in which charter rates are high, vessel values generally are high as well, and it may be difficult to consummate vessel acquisitions or enter into new-building contracts at favorable prices. During periods when charter rates are low, such as the current market, we may be unable to fund the acquisition of new-buildings, whether through lending or cash on hand. For these reasons, we may be unable to execute our growth plans or avoid significant expenses and losses in connection with our future growth efforts.

Growing any business by acquisition presents numerous risks, such as undisclosed liabilities and obligations, the possibility that indemnification agreements will be unenforceable or insufficient to cover potential losses and difficulties associated with imposing common standards, controls, procedures and policies, obtaining additional qualified personnel, managing relationships with customers and integrating newly acquired assets and operations into existing infrastructure. 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.

To the extent we scrap or sell vessels, we may decide to terminate the employment of some of our staff.

Legislative or regulatory changes in Greece may adversely affect our results from operations.

Globus Shipmanagement Corp., our ship management subsidiary, who we refer to as our Manager, is regulated under Greek Law 89/67, and conducts its operations and those on our behalf primarily in Greece. Greece has been implementing new legislative measures to address financial difficulties, several of which as a response from oversight by the International Monetary Fund and by European regulatory bodies such as the European Central bank. Such legislative actions may impose new regulations on our operations in Greece that will require us to incur new or additional compliance or other administrative costs and may require that our Manager or we pay to the Greek government new taxes or other fees. Any such taxes, fees or costs we incur could be in amounts that are significantly greater than those in the past and could adversely affect our results from operations.

For example, in January 2013, tax law 4110/2013 amended the long-standing provisions of art. 26 of law 27/1975 by imposing a fixed annual tonnage tax on vessels flying a foreign (i.e., non-Greek) flag which are managed by a Law 89 company, establishing an identical tonnage tax regime as the one already in force for vessels flying the Greek flag. This tax varies depending on the size of the vessel, calculated in gross registered tonnage, as well as on the age of each vessel. Payment of this tonnage tax completely satisfies all income tax obligations of both the shipowning company and of all its shareholders up to the ultimate beneficial owners. Any tax payable to the state of the flag of each vessel as a result of its registration with a foreign flag registry (including the Marshall Islands) is subtracted from the amount of tonnage tax due to the Greek tax authorities.

The Greek crisis could adversely affect the operations of our fleet manager, which has offices in Greece.

Globus Shipmanagement Corp., our Manager, has an office in Greece. As a result of the ongoing economic slump in Greece and the capital controls imposed by the government in June 2015, our Manager may be subjected to new regulations that may require us to incur new or additional compliance or other administrative costs and may require that we pay to the Greek government new taxes or other fees. Furthermore, renewed political uncertainty and social unrest due to the worsening economic conditions and the growing refugee population in the country may undermine Greece's political and economic stability and may lead it to exit the Eurozone, which may adversely affect the operations of our Manager located in Greece. We also face the risk that enhanced capital controls, strikes, work stoppages, civil unrest and violence within Greece may disrupt the operations of our Manager.

We rely on our information systems to conduct our business.

The efficient operation of our business is dependent on computer hardware and software systems. Information systems are vulnerable to security breaches by computer hackers and cyber terrorists. We rely on industry accepted security measures and technology to securely maintain confidential and proprietary information maintained on our information systems. However, these measures and technology may not adequately prevent security breaches. In addition, the unavailability of the information systems or the failure of these systems to perform as anticipated for any reason could disrupt our business and could result in decreased performance and increased operating costs, causing our business and results of operations to suffer. Any significant interruption or failure of our information systems or any significant breach of security could adversely affect our business and results of operations.

We expect that a limited number of financial institutions will hold our cash including financial institutions that may be located in Greece.

We expect that a limited number of financial institutions will hold all of our cash, including some institutions located in Greece. Our bank accounts are with banks in Switzerland, Germany and Greece. Of the financial institutions located in Greece, none are subsidiaries of international banks. We do not expect that these balances will be covered by insurance in the event of default by these financial institutions. The occurrence of such a default could have a material adverse effect on our business, financial condition, results of operations and cash flows, and we may lose part or all of our cash that we deposit with such banks.

Purchasing and operating secondhand vessels may result in increased operating costs and reduced fleet utilization.

While we have the right to inspect previously owned vessels prior to our purchase of them, such an inspection does not provide us with the same knowledge about their condition that we would have if these vessels had been built for and operated exclusively by us. A secondhand vessel may have conditions or defects that we are not aware of when we buy the vessel and which may require us to incur costly repairs to the vessel. These repairs may require us to put a vessel into drydocking, which would increase cash outflows and related expenses, while reducing our fleet utilization. Furthermore, we usually do not receive the benefit of warranties on secondhand vessels.

The declaration and payment of dividends to holders of our common shares will depend on a number of factors and will always be subject to the discretion of our board of directors.

We are not in compliance with our loan covenants, and were we to receive a notice of default and be unable to cure it under the terms of our loan covenants, we may be forbidden from issuing dividends. There can be no assurance that dividends will be paid to holders of our shares in any anticipated amounts and frequency at all. Our policy is, to the extent permitted by law and applicable contractual obligations, to declare and pay to holders of our shares a variable quarterly dividend in excess of 50% of the net income of the previous quarter subject to any reserves our board of directors may from time to time determine are required. However, we may incur other expenses or liabilities that would reduce or eliminate the cash available for distribution as dividends, including as a result of the risks described in this section of this annual report on Form 20-F. The DVB Loan Agreement and the HSH Loan Agreement also prohibit our declaration and payment of dividends under some circumstances. Under each of the DVB Loan Agreement and the HSH Loan Agreement we will be prohibited from paying dividends if an event of default has occurred or any event has occurred or circumstance arisen which with the giving of notice or the lapse of time or the satisfaction of any other condition would constitute an event of default under the DVB Loan Agreement and the HSH Loan Agreement. Please read “Item 5.B. Liquidity and Capital Resources—Indebtedness” for further information. We may also enter into new financing or other agreements that may restrict our ability to pay dividends. In addition, we may pay dividends to the holders of our Series A Preferred Shares prior to the holders of our shares.

The declaration and payment of dividends to holders of our shares will be subject at all times to the discretion of our board of directors, and will be paid equally on a per-share basis between our common shares and our Class B shares, to the extent any are issued and outstanding. We can provide no assurance that dividends will be paid in the future.

There may be a high degree of variability from period to period in the amount of cash, if any, that is available for the payment of dividends based upon, among other things:

- the rates we obtain from our charters as well as the rates obtained upon the expiration of our existing charters;
- the level of our operating costs;
- the number of unscheduled off-hire days and the timing of, and number of days required for, scheduled drydocking of our vessels;
- vessel acquisitions and related financings;
- restrictions in the DVB Loan Agreement and the HSH Loan Agreement and in any future debt arrangements;
- our ability to obtain debt and equity financing on acceptable terms as contemplated by our growth strategy;
- prevailing global and regional economic and political conditions;
- the effect of governmental regulations and maritime self-regulatory organization standards on the conduct of our business;
- our overall financial condition;
- our cash requirements and availability;
- the amount of cash reserves established by our board of directors; and
- restrictions under Marshall Islands law.

Marshall Islands law generally prohibits the payment of dividends other than from surplus or net profits, or while a company is insolvent or would be rendered insolvent by the payment of such a dividend. We may not have sufficient funds, surplus, or net profits to make distributions.

We may incur expenses or liabilities or be subject to other circumstances in the future that reduce or eliminate the amount of cash that we have available for distribution as dividends, if any. Our growth strategy contemplates that we will finance the acquisition of our new-buildings or selective acquisitions of vessels through a combination of our operating cash flow and debt financing through our subsidiaries or equity financing. If financing is not available to us on acceptable terms, our board of directors may decide to finance or refinance acquisitions with a greater percentage of cash from operations to the extent available, which would reduce or even eliminate the amount of cash available for the payment of dividends. We may also enter into other agreements that will restrict our ability to pay dividends.

The amount of cash we generate from our operations may differ materially from our net income or loss for the period, which will be affected by non-cash items. We may incur other expenses or liabilities that could reduce or eliminate the cash available for distribution as dividends. As a result of these and the other factors mentioned above, we may pay dividends during periods when we record losses and may not pay dividends during periods when we record net income, if we pay dividends at all.

We may declare and pay dividends only to the holders of our Series A Preferred Shares or prior to declaring and paying any dividends to our common shareholders.

Our Series A Preferred Shares are entitled to receive dividends at the sole discretion of the Remuneration Committee. The declaration and payment of any dividend to holders of our common shares and Class B shares is also at the discretion of our board of directors. It is possible in the future that we will pay dividends only to holders of the Series A Preferred Shares, or to holders of the Series A Preferred Shares prior to the holders of our common shareholders (by which we mean the holders of common and Class B shares). As a result of such potential dividend policy, the market price of our common shares could be adversely affected. Please read “Item 5.B. Liquidity and Capital Resources—Indebtedness” for further information.

We are a holding company, and we will depend on the ability of our subsidiaries 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, which are all directly and wholly owned by us, will conduct all of our operations and own all of our operating assets. We have no significant assets other than the equity interests in our wholly owned subsidiaries. As a result, our ability to make dividend payments depends on our subsidiaries and their ability to distribute funds to us. If we are unable to obtain funds from our subsidiaries, our board of directors may exercise its discretion not to declare or pay dividends. In addition, our subsidiaries are subject to limitations on the payment of dividends under Marshall Islands or Maltese law.

Management may be unable to provide reports as to the effectiveness of our internal control over financial reporting or our independent registered public accounting firm may be unable to provide us with unqualified attestation reports as to the effectiveness of our internal control over financial reporting.

Under Section 404 of the Sarbanes-Oxley Act of 2002, which we refer to as Sarbanes-Oxley, we are required to include in each of our annual reports on Form 20-F a report containing our management’s assessment of the effectiveness of our internal control over financial reporting and we may also be required to include, in our future annual reports, a related attestation of our independent registered public accounting firm. Our Manager, Globus Shipmanagement, will provide substantially all of our financial reporting, and we will depend on the procedures it has in place. If in such annual reports on Form 20-F our management cannot provide a report as to the effectiveness of our internal control over financial reporting or our independent registered public accounting firm is unable to provide us with an unqualified attestation report as to the effectiveness of our internal control over financial reporting as required by Section 404, investors could lose confidence in the reliability of our consolidated financial statements, which could result in a decrease in the value of our common shares.

Unless we set aside reserves or are able to borrow funds for vessel replacement, at the end of a vessel’s useful life our revenues will decline.

As of December 31, 2015 and December 31, 2014, the vessels in our current fleet had a weighted average age of 7.4 and 8.1 years, respectively. The weighted average of the vessels we own as of March 31, 2016 was 8.1 years. Our oldest vessel was built in 2005, and our youngest vessel was built in 2010. Unless we maintain reserves or are able to borrow or raise funds for vessel replacement, we will be unable to replace the vessels in our fleet upon the expiration of their remaining useful lives, which we expect to be 25 years from the date of their construction. Our cash flows and income are dependent on the revenues earned by the chartering of our vessels to customers. If we are unable to replace the vessels in our fleet upon the expiration of their useful lives, our business, results of operations, financial condition and ability to pay dividends will be materially adversely affected. Any reserves set aside for vessel replacement may not be available for dividends.

Investments in derivative instruments such as forward freight agreements could result in losses.

From time to time, we may take positions in derivative instruments including forward freight agreements, or FFAs. FFAs and other derivative instruments may be used to hedge a vessel owner’s exposure to the charter market by providing for the sale of a contracted charter rate along a specified route and period of time. Upon settlement, if the contracted charter rate is less than the average of the rates, as reported by an identified index, for the specified route and time period, 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 or other derivative instruments and do not correctly anticipate charter rate movements over the specified route and time period, we could suffer losses in the settling or termination of the FFA. This could adversely affect our results of operations, cash flow and ability to pay dividends.

We depend upon a few significant customers for a large part of our revenues.

We may derive a significant part of our revenue from a small number of customers. During the years ended December 31, 2015, 2014 and 2013, we derived substantially all of our revenues from approximately 32, 33 and 18 customers, respectively, and approximately 36%, 54% and 60%, respectively, of our revenues during those years, were derived from four customers. If one or more of our customers that contribute to a significant part of our revenues is unable to perform under a charter with us and we are not able to find a replacement charter, or if such a customer exercises certain rights to terminate the charter, 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 time charter if, among other things:

- the customer fails to make charter payments because of its financial inability, disagreements with us or otherwise;
- the customer terminates the charter because of our non-performance, including failure to deliver the vessel within a fixed period of time, the vessel is lost or damaged beyond repair, serious deficiencies in the vessel, prolonged periods of off-hire or our default under the charter; or
- the customer terminates the charter because the vessel has been subject to seizure for more than 30 days.

If we lose a key customer, we may be unable to obtain charters on comparable terms with charterers of comparable standing or we may have increased exposure to the volatile spot market, which is highly competitive and subject to significant price fluctuations. We would not receive any revenues from such a vessel while it remained unchartered, but we may be required to pay expenses necessary to maintain the vessel in proper operating condition, insure it and service any indebtedness secured by such vessel. The loss of any of our customers, time charters or vessels or a decline in payments under our charters could have a material adverse effect on our business, results of operations and financial condition and our ability to pay dividends.

In addition, we are earning management fees on the *m/v Energy Globe*. If that vessel is sold, we will likely stop acting as manager and will no longer receive management fees for this service.

We will earn income in 2016 by managing a third party vessel.

We currently earn \$900 per day to manage the *m/v Energy Globe* as further described in “Item 4.A - History and Development of the Company.” If the ship is sold or if the current owner does not believe that we are providing adequate or economical management services, it may terminate the ship management agreement, and we will no longer be earning this additional revenue. The loss of this revenue could negatively impact us.

The superior voting rights of our Class B shares, if issued, may limit our common shareholders’ ability to influence corporate matters.

We currently have no Class B shares outstanding. Under our articles of incorporation, our Class B shares have 20 votes per share, and our common shares have one vote per share.

Even if we issue or otherwise sell additional common shares after an issuance of Class B shares, holders of our Class B shares, depending on the number, may have substantial control and influence over our management and affairs and over all matters requiring shareholder approval, including the election of directors and significant corporate transactions, such as a merger or other sale of our company or its assets. It is possible that, because of this dual class stock structure, holders of our Class B shares will be able to control all matters submitted to our shareholders for approval even though they may own significantly less than 50% of the aggregate number of outstanding shares of our common shares and Class B shares. This potential concentrated control could limit our common shareholders’ ability to influence corporate matters and, as a result, we may take actions that our common shareholders do not view as beneficial. As a result, the market price of our common shares could be adversely affected.

Provisions of our articles of incorporation and bylaws may have anti-takeover effects.

Several provisions of our articles of incorporation and bylaws, which are summarized below, may have anti-takeover effects. These provisions are intended to avoid costly takeover battles, lessen our vulnerability to a hostile change of control and enhance the ability of our board of directors to maximize shareholder value in connection with any unsolicited offer to acquire our company. However, these anti-takeover provisions could also discourage, delay or prevent the merger or acquisition of our company by means of a tender offer, a proxy contest or otherwise that a shareholder may consider in its best interest and the removal of incumbent officers and directors.

Multi Class Stock. Our multi-class stock structure, which consists of common shares, Class B shares, and preferred shares, can provide holders of our Class B shares or preferred shares a significant degree of control over all matters requiring shareholder approval, including the election of directors and significant corporate transactions, such as a merger or other sale of our company or its assets.

Blank Check Preferred Shares. Under the terms of our articles of incorporation, our board of directors has authority, without any further vote or action by our shareholders, to issue up to 100 million shares of “blank check” preferred shares. Our board could authorize the issuance of preferred shares with voting or conversion rights that could dilute the voting power or rights of the holders of common shares. The issuance of preferred shares, while providing flexibility in connection with possible acquisitions and other corporate purposes, could, among other things, have the effect of delaying, deferring or preventing a change in control of us or the removal of our management and may harm the market price of our common shares.

Classified Board of Directors. Our articles of incorporation provide for the division of our board of directors into three classes of directors, with each class as nearly equal in number as possible, serving staggered, three-year terms beginning upon the expiration of the initial term for each class. Approximately one-third of our board of directors is elected each year. 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.

Election of Directors. Our articles of incorporation do not provide for cumulative voting in the election of directors. Our bylaws require parties, other than the chairman of the board of directors, board of directors and shareholders holding 30% or more of the voting power of the aggregate number of our shares issued and outstanding and entitled to vote, to provide advance written notice of nominations for the election of directors. These provisions may discourage, delay or prevent the removal of incumbent officers and directors.

Advance Notice Requirements for Shareholder Proposals and Director Nominations. Our bylaws provide that shareholders, other than shareholders holding 30% or more of the voting power of the aggregate number of our shares issued and outstanding and entitled to vote, seeking to nominate candidates for election as directors or to bring business before an annual meeting of shareholders must provide timely notice of their proposal in writing to the corporate secretary. Generally, to be timely, a shareholder’s notice must be received at our principal executive offices not less than 150 days or more than 180 days prior to the first anniversary date of the immediately preceding annual meeting of shareholders. Our bylaws also specify requirements as to the form and content of a shareholder’s notice. These provisions may impede a shareholder’s ability to bring matters before an annual meeting of shareholders or make nominations for directors at an annual meeting of shareholders.

We generate revenues from the trading of our vessels in U.S. dollars but incur a portion of our expenses in other currencies.

We generate substantially all of our revenues from the trading of our vessels in U.S. dollars, but during the years ended December 31, 2015 and 2014 we incurred approximately 18% and 20%, respectively, of our vessel operating expenses, and certain administrative expenses, in currencies other than the U.S. dollar. This difference could lead to fluctuations in net profit due to changes in the value of the U.S. dollar relative to the other currencies. Expenses incurred in foreign currencies against which the U.S. dollar falls in value can increase, decreasing our revenues. We have not hedged our currency exposure, and, as a result, our results of operations and financial condition, denominated in U.S. dollars, and our ability to pay dividends could suffer.

Increases in interest rates may cause the market price of our shares to decline.

An increase in interest rates may cause a corresponding decline in demand for equity investments in general. Any such increase in interest rates or reduction in demand for our shares resulting from other relatively more attractive investment opportunities may cause the trading price of our shares to decline. If LIBOR increases, then our payments pursuant to certain existing loans will increase. See “Item 11. Quantitative and Qualitative Disclosures About Market Risk.”

Our chairman of the board of directors beneficially owns a majority of our total outstanding common shares and controls matters on which our shareholders are entitled to vote.

As of December 31, 2015, Mr. George Feidakis, the chairman of our board of directors, beneficially owns a majority of our outstanding common shares. Please read “Item 7.A. Major Shareholders.” Until such time that we issue additional securities or Mr. George Feidakis sells all or a portion of his common shares, Mr. George Feidakis can control the outcome of matters on which our shareholders are entitled to vote, including the election of directors and other significant corporate actions. The interests of Mr. George Feidakis may be different from your interests.

The public market may not continue to be active and liquid enough for you to resell our common shares in the future.

The price of our common shares 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 dry bulk shipping industry;
- market conditions in the dry bulk shipping industry;
- changes in government regulation;
- shortfalls in our operating results from levels forecast by securities analysts;
- announcements concerning us or our competitors; and
- the general state of the securities market.

Furthermore, as of December 31, 2015, Mr. George Feidakis, the chairman of our board of directors, beneficially owns a majority of our outstanding common shares. Please read “Item 7.A. Major Shareholders.” Where a substantial percentage of the shares of publicly traded companies are held by a small number of shareholders, the shares may have a lower trading volume than similarly-sized publicly traded companies. Until such time as we issue additional securities or Mr. George Feidakis sells all or a portion of his common shares, we may have a lower trading volume than similarly-sized companies, which means shareholders who buy or sell relatively small amounts of our common shares could have a disproportionately large impact on our share price, either positively or negatively, and could thus make our share price more volatile than it otherwise would be.

The dry bulk shipping industry has been highly unpredictable and volatile. The market for common shares in this industry may be equally volatile.

We may have to pay tax on U.S. source shipping income.

Under the U.S. Internal Revenue Code of 1986, as amended, or the Code, 50% of the gross shipping income of a vessel-owning or chartering company that is attributable to transportation that begins or ends, but that does not both begin and end, in the United States is characterized as U.S. source shipping income and such income is subject to a 4% U.S. federal income tax without allowance for deductions, unless that corporation qualifies for exemption from tax under section 883 of the Code and the U.S. Treasury regulations promulgated thereunder, which we refer to as the Section 883 Exemption. The eligibility of Globus Maritime and our subsidiaries to qualify for the Section 883 Exemption is determined each taxable year and is dependent on certain circumstances related to the ownership of our shares and on interpretations of existing U.S. Treasury regulations, each of which could change. We can therefore give no assurance that we will in fact be eligible to qualify for the Section 883 Exemption for all taxable years. In addition, changes to the Code, the U.S. Treasury regulations or the interpretation thereof by the U.S. Internal Revenue Service, or IRS, or the courts could adversely affect the ability of Globus Maritime and our subsidiaries to take advantage of the Section 883 Exemption.

If we are not entitled to the Section 883 Exemption for any taxable year in which any company in the group earns U.S. source shipping income, any company earning such U.S. source shipping income, would be subject to a 4% U.S. federal income tax on the gross amount of the U.S. source shipping income for the year (or an effective rate of 2% on shipping income attributable to the transportation of freight to or from the United States). The imposition of this taxation could have a negative effect on our business and revenues and would result in decreased earnings available for distribution to our shareholders.

For a more complete discussion, please read the section entitled “Item 10.E. Taxation— United States Tax Considerations— United States Federal Income Taxation of the Company.”

U.S. tax authorities could treat us as a “passive foreign investment company,” which could result in adverse U.S. federal income tax consequences to U.S. shareholders.

A foreign corporation will be treated as a “passive foreign investment company,” or PFIC, for U.S. federal income tax purposes if either at least 75% of its gross income for any taxable year consists of certain types of “passive income” or 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 that are received from unrelated parties in connection with the active conduct of a trade or business. For purposes of these tests, income derived from the performance of services does not constitute “passive income.”

U.S. shareholders of a PFIC are subject to a disadvantageous U.S. federal income tax regime with respect to the income derived by the PFIC, the distributions they receive from the PFIC, and the gain, if any, they derive from the sale or other disposition of their shares in the PFIC, unless those shareholders make an election available under the Code (which election could itself have adverse consequences for such shareholders). In particular, U.S. shareholders who are individuals would not be eligible for the preferential tax rate on qualified dividends. Please read “Item 10.E. Taxation— United States Tax Considerations— United States Federal Income Taxation of United States Holders” for a more comprehensive discussion of the U.S. federal income tax consequences to U.S. shareholders if we are treated as a PFIC.

Based on our current operations and anticipated future operations, we believe we should not be treated as a PFIC. In this regard, we intend to treat 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 should not constitute “passive income,” and that the assets 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.”

There are legal uncertainties involved in this determination, because there is no direct legal authority under the PFIC rules addressing our current and projected future operations. Moreover, a case decided in 2009 by the U.S. Court of Appeals for the Fifth Circuit held that, contrary to the position of the IRS in that case, and for purposes of a different set of rules under the Code, income received under a time charter of vessels should be treated as rental income rather than services income. If the reasoning of this case were extended to the PFIC context, the gross income we derive or are deemed to derive from our time chartering activities would be treated as rental income, and we would be a PFIC unless an active leasing exception applies. Although the IRS has announced that it will not follow the reasoning of this case, and that it intends to treat the income from standard industry time charters as services income, no assurance can be given that a U.S. court will not follow the aforementioned case. Moreover, no assurance can be given that we would not constitute a PFIC for any future taxable year if there were to be changes in our assets, income or operations.

If the IRS were to find that we are or have been a PFIC for any taxable year, our U.S. shareholders will face adverse U.S. tax consequences and information reporting obligations, as more fully described under “Item 10.E. Taxation—United States Tax Considerations—United States Federal Income Taxation of United States Holders.”

We could face penalties under European Union, United States or other economic sanctions.

Our business could be adversely impacted if we are found to have violated economic sanctions under the applicable laws of the European Union, the United States or another applicable jurisdiction against countries such as Iran, Sudan, Syria, North Korea and Cuba. U.S. economic sanctions, for example, prohibit a wide scope of conduct, target numerous countries and individuals, are frequently updated or changed and have vague application in many situations.

Many economic sanctions relate to our business, including prohibitions on certain kinds of trade with countries, such as exportation or re-exportation of commodities, or prohibitions against certain transactions with designated nationals who may be operating under aliases or through non-designated companies. The imposition of Ukrainian-related economic sanctions on Russian persons, first imposed in March 2014, is an example of economic sanctions with a potentially widespread and unpredictable impact on shipping. Certain of our charterers or other parties with whom we have entered into contracts regarding our vessels may be affiliated with persons or entities that are the subject of sanctions imposed by the U.S. government, the European Union and/or other international bodies relating to the annexation of Crimea by Russia in 2014. If we determine that such sanctions require us to terminate existing contracts 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.

Additionally, the U.S. Iran Threat Reduction Act (which was signed into law in 2012) amended the Exchange Act to require issuers that file annual or quarterly reports under Section 13(a) of the Exchange Act to include disclosure in their annual and quarterly reports as to whether the issuer or its affiliates have knowingly engaged in certain activities prohibited by sanctions against Iran or transactions or dealings with certain identified persons. We are subject to this disclosure requirement.

There can be no assurance that we will be in compliance with all applicable sanctions and embargo laws and regulations 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 or other penalties and could severely impact our ability to access U.S. capital markets and conduct our business, and could result in some investors deciding, or being required, to divest their interest, or not to invest, in us. Even inadvertent violations of economic sanctions can result in the imposition of material fines and restrictions and could adversely affect our business, financial condition and results of operations, our reputation, and the market price of our common shares.

Our vessels may call on ports subject to economic sanctions or embargoes.

From time to time on charterers’ instructions, our vessels may call on ports located in countries subject to sanctions and embargoes imposed by the United States government and countries identified by the U.S. government as state sponsors of terrorism, such as Iran, Sudan and Syria. The U.S. sanctions and embargo laws and regulations vary in their application, as they do not all apply to the same covered persons or proscribe the same activities, and such sanctions and embargo laws and regulations may be amended or strengthened over time. On May 1, 2012, President Obama signed Executive Order 13608 which prohibits foreign persons from violating or attempting to violate, or causing a violation of any sanctions in effect against Iran or facilitating any deceptive transactions for or on behalf of any person subject to U.S. sanctions. Any persons found to be in violation of Executive Order 13608 will be deemed a foreign sanctions evader and will be banned from all contacts with the United States, including conducting business in U.S. dollars.

On July 14, 2015, the P5+1 (the United States, United Kingdom, Germany, France, Russia and China) and the EU announced that they reached a landmark agreement with Iran titled the Joint Comprehensive Plan of Action, or the JCPOA, which is intended to restrict significantly Iran’s ability to develop and produce nuclear weapons while simultaneously easing sanctions directed at non-U.S. persons for conduct involving Iran, but taking place outside of U.S. jurisdiction and not involving U.S. persons. On January 16, 2016, the United States joined the EU and the United Nations in lifting a significant number of sanctions on Iran following an announcement by the International Atomic Energy Agency, or the IAEA, that Iran had satisfied its obligations under the JCPOA.

U.S. sanctions prohibiting certain conduct that is now permitted under the JCPOA have not actually been repealed or permanently terminated at this time. Rather, the U.S. government has implemented changes to the sanctions regime by: (1) issuing waivers of certain statutory sanctions provisions; (2) committing to refrain from exercising certain discretionary sanctions authorities; (3) removing certain individuals and entities from sanctions lists; and (4) revoking certain Executive Orders and specified sections of Executive Orders. These sanctions will not be permanently “lifted” until the earlier of October 18, 2023, or upon a report from the IAEA stating that all nuclear material in Iran is being used for peaceful activities.

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 as such regulations and sanctions may be amended over time, and the U.S. retains the authority to revoke the aforementioned relief if Iran fails to meet its commitments under the JCPOA. Any such violation could result in fines, penalties or other sanctions that could severely impact our ability to access U.S. capital markets and conduct our business, and could result in some investors deciding, or being required, to divest their interest, or not to invest, in us. In addition, certain institutional investors may have investment policies or restrictions that prevent them from holding securities of companies that have contracts with countries identified by the U.S. government as state sponsors of terrorism. The determination by these investors not to invest in, or to divest from, our common shares may adversely affect the price at which our common shares trade. Moreover, our charterers may violate applicable sanctions and embargo laws and regulations as a result of actions that do not involve us or our vessels, and those violations could in turn negatively affect our reputation. In addition, our reputation and the market for our securities may be adversely affected if we engage in certain other activities, such as entering into charters with individuals or entities in countries subject to U.S. sanctions and embargo laws that are not controlled by the governments of those countries, or engaging in operations associated with those countries pursuant to contracts with third parties that are unrelated to those countries or entities controlled by their governments. Investor perception of the value of our common shares may be adversely affected by the consequences of war, the effects of terrorism, civil unrest and governmental actions in these and surrounding countries.

We are subject to Marshall Islands corporations law, which is not well-developed.

Our corporate affairs are governed by our articles of incorporation, our bylaws and by the Marshall Islands Business Corporations Act, or the BCA. The provisions of the BCA resemble provisions of the corporation laws of a number of states in the United States. However, there have been few judicial cases in the Marshall Islands interpreting the BCA. The rights and fiduciary responsibilities of directors under the laws 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. The rights of shareholders of corporations incorporated in or redomiciled into the Marshall Islands may differ from the rights of shareholders of corporations incorporated in the United States. While the BCA provides that it is to be applied and construed according to the laws of the State of Delaware and other states with substantially similar legislative provisions, there have been few court cases interpreting the BCA in the Marshall Islands and we cannot predict whether Marshall Islands courts would reach the same conclusions as United States courts. Thus, you may have more difficulty in protecting your interests in the face of actions by our management, directors or controlling shareholders than would shareholders of a corporation incorporated in a United States jurisdiction that has developed a more substantial body of case law in the corporate law area.

It may be difficult to serve us with legal process or enforce judgments against us, our directors, our significant shareholders, or our management.

Our business is operated primarily from our offices in Greece. In addition, our largest shareholder and a majority of our directors and officers are non-residents of the United States, and all of our assets and a substantial portion of the assets of these non-residents are located outside the United States. As a result, it may be difficult or impossible for you to bring an action against us or against these individuals in the United States if you believe that your rights have been infringed under securities laws or otherwise. You may also have difficulty enforcing, both within and outside of the United States, judgments you may obtain in the 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. There is also substantial doubt that the courts of the Marshall Islands or Greece would enter judgments in original actions brought in those courts predicated on United States federal or state securities laws.

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

We redomiciled into the Marshall Islands and our subsidiaries are incorporated under the laws of the Marshall Islands or Malta, we have limited operations in the United States and we maintain limited assets, if any, in the United States. Consequently, in the event of any bankruptcy, insolvency, liquidation, dissolution, reorganization or similar proceeding involving us or any of our subsidiaries, bankruptcy laws other than those of the United States could apply. The Marshall Islands does not have a bankruptcy statute or general statutory mechanism for insolvency proceedings. If we become a debtor under U.S. bankruptcy law, bankruptcy courts in the United States may seek to assert jurisdiction over all of our assets, wherever located, including property situated in other countries. There can be no assurance, however, that we would become a debtor in the United States, or that a U.S. bankruptcy court would accept, or be entitled to accept, jurisdiction over such a bankruptcy case, or that courts in other countries that have jurisdiction over us and our operations would recognize a U.S. bankruptcy court's jurisdiction if any other bankruptcy court would determine it had jurisdiction. These factors may delay or prevent us from entering bankruptcy in the United States and may affect the ability of our shareholders to receive any recovery following our bankruptcy.

We, or our large shareholders, may sell additional securities in the future.

The market price of our common shares could decline due to sales of a large number of our securities 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 shares.

We may issue additional common shares, including Class B shares, or other equity securities without your approval.

We may issue additional common shares, including Class B shares, or other equity securities of equal or senior rank in the future in connection with, among other things, future vessel acquisitions, repayment of outstanding indebtedness or our equity incentive plan, without shareholder approval, in a number of circumstances. For example, in April 2012, we issued 3,347 Series A Preferred Shares, and 2,567 of these shares remain outstanding.

Our issuance of additional common shares, including Class B shares, or other equity securities of equal or senior rank would have the following effects:

- our existing shareholders’ proportionate ownership interest in us will decrease;
- the amount of cash available for dividends payable on our common shares may decrease;
- the relative voting strength of each previously outstanding share may be diminished; and
- the market price of our common shares may decline, and we could be forced to delist our shares from Nasdaq.

Because we are a foreign private issuer, we are not bound by any Nasdaq rule that requires shareholder approval for certain issuances of our securities. We therefore can issue securities in such amounts and at such times as we feel appropriate, all without shareholder approval. See “Item 16G. Corporate Governance.”

Item 4. Information on the Company

A. History and Development of the Company

We originally incorporated as Globus Maritime Limited on July 26, 2006 pursuant to the Companies (Jersey) Law 1991 (as amended), and began operations in September 2006. Following the conclusion of our initial public offering on June 1, 2007, our common shares were listed on the London Stock Exchange’s Alternative Investment Market, or AIM, under the ticker “GLBS.L.” On July 29, 2010, we effected a one-for-four reverse stock split, with our issued share capital resulting in 7,240,852 common shares of \$0.004 each.

On November 24, 2010, we redomiciled into the Marshall Islands pursuant to the BCA and a resale registration statement for our common shares was declared effective by the SEC. Once the resale registration statement was declared effective by the SEC, our common shares began trading on the Nasdaq Global Market under the ticker “GLBS.” Our common shares were suspended from trading on the AIM on November 24, 2010 and were delisted from the AIM on November 26, 2010.

On June 30, 2011, we completed a follow-on public offering in the United States under the Securities Act of 1933, as amended, which we refer to as the Securities Act, of 2,750,000 common shares at a price of \$8.00 per share, the net proceeds of which amounted to approximately \$20 million.

As of December 31, 2015, our issued and outstanding capital stock consisted of 10,319,151 common shares and 2,567 Series A Preferred Shares.

On April 11, 2016, our common shares began trading on the Nasdaq Capital Market instead of the Nasdaq Global Market.

Our executive office is located at the office of Globus Shipmanagement Corp., which we refer to as our Manager, at 128 Vouliagmenis Avenue, 3rd Floor, 166 74 Glyfada, Athens, Greece. Our telephone number is +30 210 960 8300. Our registered agent in the Marshall Islands is The Trust Company of the Marshall Islands, Inc. and our registered address in the Marshall Islands is Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH96960. We maintain our website at www.globusmaritime.gr. Information that is available on or accessed through our website does not constitute part of, and is not incorporated by reference into, this annual report on Form 20-F.

As of December 31, 2010, our fleet comprised a total of five dry bulk vessels, consisting of one Panamax, three Supramaxes and one Kamsarmax, with a weighted average age of approximately 4.0 years and a total carrying capacity of 319,664 dwt.

In March 2011, we purchased a 2007-built Supramax vessel for \$30.3 million. The vessel was delivered in September 2011 and was named “Sun Globe.” In May 2011, we purchased a 2005-built Panamax vessel for \$31.4 million. The vessel was delivered in June 2011 and was named “Moon Globe.”

As of December 31, 2014 and 2013 our fleet comprised a total of seven dry bulk vessels, consisting of two Panamax, four Supramaxes and one Kamsarmax, with a weighted average age of approximately 8.1 and 7.1 years, respectively, and a total carrying capacity of 452,886 dwt.

In July 2015, we sold “*Tiara Globe*”, a 1998-built Panamax. As of December 31, 2015, our fleet comprised a total of six dry bulk vessels, consisting of one Panamax, four Supramaxes and one Kamsarmax, with an average age of 7.4 years and carrying capacity of 379,958 dwt. The weighted average age of the vessels we owned as of March 31, 2016 was 8.1 years, and their carrying capacity was 300,571 dwt.

In March 2016, we sold all of the shares of Kelty Marine Ltd., the owner of the *m/v Energy Globe*, to an unrelated third party. We reached a settlement agreement with Commerzbank relating to the Kelty Loan Agreement in March 2016. Commerzbank agreed to settle the outstanding indebtedness of \$15.65 million in return for the sale of the shares of Kelty Marine Ltd. for \$6.86 million plus overdue interest of \$40,708. If the total amount of cash and bank balances and bank deposits exceeds \$10 million in the aggregate as declared on June 30, 2016 then we must pay to Commerzbank any excess amounts. If there is no excess, Globus will be released from its guarantee.

As of March 31, 2016, our fleet comprised a total of five dry bulk vessels consisting of one Panamax and four Supramaxes.

Our capital expenditures, which principally consist of purchasing, operating and maintaining dry bulk vessels, for the previous three fiscal years, consisted of deferred drydocking costs of \$1.6 million in 2015, deferred drydocking costs of \$1.5 million in 2014, and deferred drydocking costs of \$0.8 million in 2013.

B. Business Overview

We are an integrated dry bulk shipping company, providing marine transportation services on a worldwide basis. We own, operate and manage a fleet of dry bulk vessels that transport iron ore, coal, grain, steel products, cement, alumina and other dry bulk cargoes internationally. Our Manager also manages one dry bulk vessel that we do not own. We intend to grow our fleet through timely and selective acquisitions of modern vessels in a manner that we believe will provide an attractive return on equity and will be accretive to our earnings and cash flow based on anticipated market rates at the time of purchase. There is no guarantee however, that we will be able to find suitable vessels to purchase or that such vessels will provide an attractive return on equity or be accretive to our earnings and cash flow.

Our operations are managed by our Athens, Greece-based wholly owned subsidiary, Globus Shipmanagement Corp., which we refer to as our Manager, which provides in-house commercial and technical management for our vessels and for one vessel that we used to own but recently sold. Our Manager has entered into a ship management agreement with each of our wholly owned vessel-owning subsidiaries to provide services that include managing day-to-day vessel operations, such as supervising the crewing, supplying, maintaining of vessels and other services, and has also entered into a shipmanagement agreement with Kelty Marine Ltd., which is no longer owned by us, after its sale to an unrelated third party.

The following table presents information concerning the vessels we own:

Vessel	Year Built	Flag	Direct Owner	Shipyard	Vessel Type	Delivery Date	Carrying Capacity (dwt)
<i>m/v River Globe</i>	2007	Marshall Islands	Devocean Maritime Ltd.	Yangzhou Dayang	Supramax	December 2007	53,627
<i>m/v Sky Globe</i>	2009	Marshall Islands	Domina Maritime Ltd.	Taizhou Kouan	Supramax	May 2010	56,855
<i>m/v Star Globe</i>	2010	Marshall Islands	Dulac Maritime S.A.	Taizhou Kouan	Supramax	May 2010	56,867
<i>m/v Moon Globe</i>	2005	Marshall Islands	Artfull Shipholding S.A.	Hudong-Zhonghua	Panamax	June 2011	74,432
<i>m/v Sun Globe</i>	2007	Malta	Longevity Maritime Limited	Tsuneishi Cebu	Supramax	September 2011	58,790
Total:							300,571

We own each of our vessels through separate, wholly owned subsidiaries, five of which are incorporated in the Marshall Islands, and one of which is incorporated in Malta. All of our Supramax vessels are geared. Geared vessels can operate in ports with minimal shore-side infrastructure. Due to the ability to switch between various dry bulk cargo types and to service a wider variety of ports, the day rates for geared vessels tend to have a premium.

Our Manager also manages the *m/v Energy Globe*, a 2010-built Kamsarmax with 79,387 dwt capacity, that we sold to an unrelated third party in March 2016 when we reached a settlement agreement with Commerzbank relating to the Keltly Loan Agreement. Commerzbank agreed to settle the outstanding indebtedness of \$15.65 million in return for the sale of the shares of Keltly Marine Ltd. for \$6.86 million plus overdue interest of \$40,708. If the total amount of cash and bank balances and bank deposits exceeds \$10 million in the aggregate then we must pay to Commerzbank any excess amounts. If there is no excess, Globus will be released from its guarantee.

We budget 20 days per year in drydocking per vessel. Actual length will vary based on the condition of each vessel, shipyard schedules and other factors.

Employment of our Vessels

Our strategy is to employ our vessels on a mix of all types of charter contracts, including bareboat charters, time charters and spot charters. We believe this strategy provides the cash flow stability, reduced exposure to market downturns and high utilization rates of the charter market, while at the same time enabling us to benefit from periods of increasing spot market rates. We may, however, seek to employ a greater portion of our fleet on the spot market or on time charters with longer durations, should we believe it to be in our best interests. In addition, we generally seek to stagger the expiration dates of our charters to reduce exposure to volatility in the shipping cycle when our vessels come off of charter. We also continually monitor developments in the dry bulk shipping industry and, subject to market demand, will adjust the number of vessels on charters and the charter periods for our vessels according to market conditions.

We and our Manager have developed relationships with a number of international charterers, vessel brokers, financial institutions, insurers and shipbuilders. We have also developed a network of relationships with vessel brokers who help facilitate vessel charters and acquisitions.

On the date of the filing of this Annual Report on 20-F, all of our vessels were employed on spot charters.

Each of our vessels travels across the world and not on any particular route. The charterers of our vessels, whether time, bareboat or on the spot market, select the locations to which our vessels travel.

Time Charter

A time charter is a contract for the use of a vessel for a fixed period of time at a specified daily rate. Under a time charter, the vessel owner provides crewing, insuring, repairing and maintenance and other services related to the vessel’s operation, the cost of which is included in the daily rate, and the customer is responsible for substantially all of the vessel voyage costs, including the cost of bunkers (fuel oil) and canal and port charges. The owner also pays commissions typically ranging from 0% to 6.25% of the total daily charter hire rate of each charter to unaffiliated ship brokers and to in-house brokers associated with the charterer, depending on the number of brokers involved with arranging the charter.

Basic Hire Rate and Term

“Basic hire rate” refers to the basic payment from the customer for the use of the vessel. The hire rate is generally payable semi-monthly or 15 days, in advance, in U.S. dollars as specified in the charter. As of December 31, 2015, we had no vessel under a time charter.

Off-hire

When the vessel is “off-hire,” the charterer generally is not required to pay the basic hire rate, and we are responsible for all costs. Prolonged off-hire may lead to vessel substitution or termination of the time charter. A vessel generally will be deemed off-hire if there is a loss of time due to, among other things, operational deficiencies; drydocking for examination or painting the bottom; equipment breakdowns; damages to the hull; or similar problems.

Ship Management and Maintenance

We are responsible for the technical management of the vessel and for maintaining the vessel, periodic drydocking, cleaning and painting and performing work required by regulations. Globus Shipmanagement provides the technical, commercial and day-to-day operational management of our vessels. Technical management includes crewing, maintenance, repair and drydockings. During the 2015 year, we paid Globus Shipmanagement \$700 per vessel per day. All fees payable to Globus Shipmanagement for vessels that we own are eliminated upon consolidation of our accounts.

After its sale to an unrelated third party, Kelty Marine Ltd., owner of the *m/v Energy Globe*, pays Globus Shipmanagement \$900 per day to manage its vessel. These fees will not be eliminated upon consolidation of our accounts, as Kelty Marine Ltd. is no longer owned by Globus Maritime Limited.

Termination

We are generally entitled to suspend performance under the time charter if the customer defaults in its payment obligations. Either party may terminate the charter in the event of war in specified countries.

Commissions

During the year ended December 31, 2015, we paid commissions ranging from 1.25% to 5.00% relevant to each time charter agreement then in effect.

Bareboat Charter

A bareboat charter is a contract pursuant to which the vessel owner provides the vessel to the charterer for a fixed period of time at a specified daily rate, and the charterer provides for all of the vessel’s operating expenses. The charterer undertakes to maintain the vessel in a good state of repair and efficient operating condition and drydock the vessel during this period as per the classification society requirements. We had a bareboat charter with Eastern Media International Corporation and Far Eastern Silo & Shipping (Panama) S.A. with reference to *m/v Energy Globe* (formerly called *m/v Jin Star*) which expired in January 2015.

Redelivery

Upon the expiration of a bareboat charter, typically the charterer must redeliver the vessel in as good structure, state, condition and class as that in which the vessel was delivered.

Ship Management and Maintenance

Under a bareboat charter, the charterer is responsible for all of the vessel’s operating expenses, including crewing, insuring, maintaining and repairing the vessel, any drydocking costs, and the stores, lube oils and communication expenses. Under a bareboat charter, the charterer is also responsible for the voyage costs, and generally assumes all risk of operation. The charterer covers the costs associated with the vessel’s special surveys and related drydocking falling within the charter period.

We paid a 3.75% commission on a bareboat charter that ended in January 2015, although the amounts of commissions on future bareboat charters may change.

Our Customers

We seek to charter our vessels to customers who we perceive as creditworthy thereby minimizing the risk of default by our charterers. We also try to select charterers depending on the type of product they want to carry and the geographical areas in which they tend to trade.

Our assessment of a charterer’s financial condition and reliability is an important factor in negotiating employment for our vessels. We generally charter our vessels to operators, trading houses (including commodities traders), shipping companies and producers and government-owned entities and generally avoid chartering our vessels to companies we believe to be speculative or undercapitalized entities. Since our operations began in September 2006, our customers have included COSCO Bulk Carrier Co., Ltd, Dampskibsselskabet NORDEN A/S, ED & F Man Shipping Limited, Transgrain, Far Eastern Silo and Shipping (Panama) S.A., and Hyundai Merchant Marine Co. Ltd. In addition, during the periods when some of our vessels were trading on the spot market, they have been chartered to charterers such as Cargill International SA, Oldendorff Carriers GmbH & Co. KG, Western Bulk Carriers KS and others, thus expanding our customer base.

Competition

Our business fluctuates in line with the main patterns of trade of the major dry bulk cargoes and varies according to changes in the supply and demand for these items. We operate in markets that are highly competitive and based primarily on supply and demand. We compete for charters on the basis of price, vessel location, size, age and condition of the vessel, as well as on our reputation as an owner and operator. We compete with other owners of dry bulk vessels in the Panamax, Supramax and Kamsarmax dry bulk vessels, but we also compete with owners for the purchase and sale of vessels of all sizes. Those competitors may be better capitalized or have more liquidity than we do. In this period of significantly depressed pricing and over capacity, better liquidity may be a major competitive advantage, and we believe that some of our competitors may be better capitalized than we are.

Ownership of dry bulk vessels is highly fragmented. It is likely that we will face substantial competition for long-term charter business from a number of experienced companies. Many of these competitors will have larger dry bulk vessel fleets and greater financial resources than us, which may make them more competitive. It is also likely that we will face increased numbers of competitors entering into our transportation sectors, including in the dry bulk sector. Many of these competitors have strong reputations and extensive resources and experience. Increased competition may cause greater price competition, especially for long-term charters. We believe that no single competitor has a dominant position in the markets in which we compete.

The process for obtaining longer term time charters generally involves a lengthy and intensive screening and vetting process and the submission of competitive bids. In addition to the quality and suitability of the vessel, longer term shipping contracts may be awarded based upon a variety of other factors relating to the vessel operator, including:

- environmental, health and safety record;
- compliance with regulatory industry standards;
- reputation for customer service, technical and operating expertise;
- shipping experience and quality of vessel operations, including cost-effectiveness;
- quality, experience and technical capability of crews;

- the ability to finance vessels at competitive rates and overall financial stability;
- relationships with shipyards and the ability to obtain suitable berths;
- construction management experience, including the ability to procure on-time delivery of new vessels according to customer specifications;
- willingness to accept operational risks pursuant to the charter, such as allowing termination of the charter for force majeure events; and
- competitiveness of the bid in terms of overall price.

As a result of these factors, we may be unable to expand our relationships with existing customers or obtain new customers for long-term time charters on a profitable basis, if at all. However, even if we are successful in employing our vessels under longer term charters, our vessels will not be available for trading on the spot market during an upturn in the market cycle, when spot trading may be more profitable. If we cannot successfully employ our vessels in profitable charters, our results of operations and operating cash flow could be materially adversely affected.

The Dry Bulk Shipping Industry

The world dry bulk fleet is generally divided into six major categories, based on a vessel’s cargo carrying capacity. These categories consist of: Handysize, Handymax/Supramax, Panamax, Kamsarmax, Capesize and Very Large Ore Carrier.

- *Handysize.* Handysize vessels have a carrying capacity of up to 39,999 dwt. These vessels are primarily involved in carrying minor bulk cargoes. Increasingly, vessels of this type operate on regional trading routes, and may serve as trans-shipment feeders for larger vessels. Handysize vessels are well suited for small ports with length and draft restrictions. Their cargo gear enables them to service ports lacking the infrastructure for cargo loading and unloading.
- *Handymax/Supramax.* Handymax vessels have a carrying capacity of between 40,000 and 59,999 dwt. These vessels operate on a large number of geographically dispersed global trade routes, carrying primarily iron ore, coal, grains and minor bulks. Within the Handymax category there is also a sub-sector known as *Supramax*. Supramax bulk vessels are vessels between 50,000 to 59,999 dwt, normally offering cargo loading and unloading flexibility with on-board cranes, while at the same time possessing the cargo carrying capability approaching conventional Panamax bulk vessels. Hence, the earnings potential of a Supramax dry bulk vessel, when compared to a conventional Handymax vessel of 45,000 dwt, is greater.
- *Panamax.* Panamax vessels have a carrying capacity of between 60,000 and 79,999 dwt. These vessels carry coal, grains, and, to a lesser extent, minor bulks, including steel products, forest products and fertilizers. Panamax vessels are able to pass through the Panama Canal, making them more versatile than larger vessels.
- *Kamsarmax* (also known as Post Panamax). Kamsarmax vessels typically have a carrying capacity of between 80,000 and 109,999 dwt. These vessels tend to be shallower and have a larger beam than a standard Panamax vessel with a higher cubic capacity. They have been designed specifically for loading high cubic cargoes from draught restricted ports. The term Kamsarmax stems from Port Kamsar in Guinea, where large quantities of bauxite are exported from a port with only 13.5 meter draught and a 229 meter length overall restriction, but no beam restriction.
- *Capesize.* Capesize vessels have carrying capacities of between 110,000 and 199,999 dwt. Only the largest ports around the world possess the infrastructure to accommodate vessels of this size. Capesize vessels are mainly used to transport iron ore or coal and, to a lesser extent, grains, primarily on long-haul routes.
- *VLOC.* Very large ore carriers are in excess of 200,000 dwt. VLOCs are built to exploit economies of scale on long-haul iron ore routes.

The supply of dry bulk shipping capacity, measured by the amount of suitable vessel tonnage available to carry cargo, is determined by the size of the existing worldwide dry bulk fleet, the number of new vessels on order, the scrapping of older vessels and the number of vessels out of active service (i.e., laid up or otherwise not available for hire). In addition to prevailing and anticipated 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 bunkers and other voyage expenses, costs associated with classification society surveys, normal maintenance and insurance coverage, the efficiency and age profile of the existing fleets in the market and government and industry regulation of marine transportation practices. The supply of dry bulk vessels is not only a result of the number of vessels in service, but also the operating efficiency of the fleet. Dry bulk trade is influenced by the underlying demand for the dry bulk commodities which, in turn, is influenced by the level of worldwide economic activity. Generally, growth in gross domestic product and industrial production correlate with peaks in demand for marine dry bulk transportation services.

Dry bulk vessels are one of the most versatile elements of the global shipping fleet in terms of employment alternatives. They seldom operate on round trip voyages with high ballasting times. Rather, they often participate in triangular or multi-leg voyages.

Charter Rates

In the time charter market, rates vary depending on the length of the charter period and vessel specific factors such as age, speed, size and fuel consumption. In the voyage charter market, rates are influenced by cargo size, commodity, port dues and canal transit fees, as well as delivery and redelivery regions. In general, a larger cargo size is quoted at a lower rate per ton than a smaller cargo size. Routes with costly ports or canals generally command higher rates. Voyages loading from a port where vessels usually discharge cargo, or discharging from a port where vessels usually load cargo, are generally quoted at lower rates. This is because such voyages generally increase vessel efficiency by reducing the unloaded portion (or ballast leg) that is included in the calculation of the return charter to a loading area.

Within the dry bulk shipping industry, the freight rate indices issued by the Baltic Exchange in London are the references most likely to be monitored. These references are based on actual charter hire rates under charters entered into by market participants as well as daily assessments provided to the Baltic Exchange by a panel of major shipbrokers. The Baltic Exchange, an independent organization comprised of shipbrokers, shipping companies and other shipping players, provides daily independent shipping market information and has created freight rate indices reflecting the average freight rates (that incorporate actual business concluded as well as daily assessments provided to the exchange by a panel of independent shipbrokers) for the major bulk vessel trading routes. These indices include the Baltic Panamax Index, the index with the longest history and, more recently, the Baltic Capesize Index.

Charter (or hire) rates paid for dry bulk vessels are generally a function of the underlying balance between vessel supply and demand. Over the past 25 years, dry bulk cargo charter rates have passed through cyclical phases and changes in vessel supply and demand have created a pattern of rate “peaks” and “troughs.” Generally, spot/voyage charter rates will be more volatile than time charter rates, as they reflect short term movements in demand and market sentiment. The BDI declined from a high of 11,793 in May 2008 to a low of 663 in December 2008, which represents a decline of 94.0% within a single calendar year. During 2009, 2010 and 2011, the BDI remained volatile. During 2009, the BDI reached a low of 772 in January 2009 and a high of 4,661 in November 2009. During 2010, the BDI reached a high of 4,209 in May 2010 and a low of 1,700 in July 2010. During 2011, the BDI remained volatile, ranging from a low of 1,042 on February 4, 2011 to a high of 2,173 on October 14, 2011. The BDI continued to decline during the start of 2012 reaching a 26-year low of 647 on February 3, 2012 and thereafter increased to a high of 1,165 on May 8, 2012. During 2013, the BDI remained volatile reaching a low of 698 on January 2, 2013 and improved to 2,337 as of December 12, 2013, while volatility continued during 2014 with BDI reaching its highs of 2,113 in January 2, 2014 and its lows of 723 in July 22, 2014. The BDI reached as high as 1,222 in August 5, 2015 and a new all-time low of 471 in December 16, 2015. From January 1 to March 31, 2016, the BDI has ranged from a high of 473 on January 4, 2016 to a new all-time low of 290 on February 11, 2016.

Vessel Prices

New-building prices increased significantly after 2002, due to tightness in shipyard capacity, high steel prices, rising labor cost, high levels of new ordering and stronger freight rates. However, with the sudden and steep decline in freight rates after August 2008 and lack of new vessel ordering, new-building vessel values entered a downward trend and have continued to gradually decline.

In broad terms, the secondhand market is affected by both the newbuilding prices as well as the overall freight expectations and sentiment observed at any given time. The steep increase in newbuilding prices and the strength of the charter market have also affected values, to the extent that prices rose sharply in 2004 and 2005, before dipping in the early part of 2006, only to rise thereafter to new highs in the first half of 2008. However, the sudden and sharp downturn in freight rates since August 2008 has also had a very negative impact on secondhand values which have continued to gradually decline.

Seasonality

Our fleet consists of dry bulk vessels that operate in markets that have historically exhibited seasonal variations in demand and, as a result, in charter rates. The dry bulk sector is typically stronger in the fall and winter months in anticipation of increased consumption of coal and other raw materials in the northern hemisphere during the winter months. Such seasonality will affect the rates we obtain on the vessels in our fleet that operate on the spot market.

Permits and Authorizations

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

Inspection by Classification Societies

Every oceangoing vessel must be “classed” by a classification society. The classification society certifies that the vessel is “in class,” signifying that the vessel has been built and maintained in accordance with the rules of the classification society and complies with applicable rules and regulations of the vessel’s country of registry and the international conventions of which that country is a member. In addition, where surveys are required by international conventions and corresponding laws and ordinances of a flag state, the classification society will undertake them on application or by official order, acting on behalf of the authorities concerned.

The classification society also undertakes on request other surveys and checks that are required by regulations and requirements of the flag state. These surveys are subject to agreements made in each individual case and/or to the regulations of the country concerned. For maintenance of the class certification, regular and extraordinary surveys of hull, machinery, including the electrical plant, and any special equipment classed are required to be performed as follows:

- *Annual Surveys.* For seagoing vessels, annual surveys are conducted for the hull and the machinery, including the electrical plant and where applicable for special equipment classed, at intervals of 12 months from the date of commencement of the class period indicated in the certificate.
- *Intermediate Surveys.* Extended annual surveys are referred to as intermediate surveys and typically are conducted two and one-half years after commissioning and each class renewal. Intermediate surveys may be carried out on the occasion of the second or third annual survey.
- *Class Renewal Surveys.* Class renewal surveys, also known as special surveys, are carried out for the vessel’s hull, machinery, including the electrical plant, and for any special equipment classed, at the intervals indicated by the character of classification for the hull. At the special survey the vessel is thoroughly examined, including audio-gauging to determine the thickness of the steel structures. Should the thickness be found to be less than class requirements, the classification society would prescribe steel renewals. The classification society may grant a one-year grace period for completion of the special survey. Substantial amounts of money may have to be spent for steel renewals to pass a special survey if the vessel experiences excessive wear and tear. In lieu of the special survey every four or five years, depending on whether a grace period was granted, a shipowner has the option of arranging with the classification society for the vessel’s hull or machinery to be on a continuous survey cycle, in which every part of the vessel would be surveyed within a five-year cycle. At an owner’s application, the surveys required for class renewal may be split according to an agreed schedule to extend over the entire period of class. This process is referred to as continuous class renewal.

All areas subject to survey as defined by the classification society are required to be surveyed at least once per class period, unless shorter intervals between surveys are prescribed elsewhere. The period between two subsequent surveys of each area must not exceed five years.

Most insurance underwriters make it a condition for insurance coverage that a vessel be certified as “in class” by a classification society that is a member of the International Association of Classification Societies. All the vessels that we own and operate or manage are certified as being “in class” by Nippon Kaiji Kyokai (Class NK), DNV GL, Bureau Veritas or Rina Services SPA. Typically, all new and secondhand vessels that we purchase must be certified prior to their delivery under our standard purchase contracts and memoranda of agreement. Under our standard purchase contracts, unless negotiated otherwise, if the vessel is not certified on the date of closing, we would have no obligation to take delivery of the vessel. Although we may not have an obligation to accept any vessel that is not certified on the date of closing, we may determine nonetheless to purchase the vessel, should we determine it to be in our best interests. If we do so, we may be unable to charter such vessel after we purchase it until it obtains such certification, which could increase our costs and affect the earnings we anticipate from the employment of the vessel.

Vessels are drydocked during intermediate and special surveys for repairs of their underwater parts. If “in water survey” notation is assigned, the vessel owner has the option of carrying out an underwater inspection of the vessel in lieu of drydocking, subject to certain conditions. In the event that an “in water survey” notation is assigned as part of a particular intermediate survey, drydocking would be required for the following special survey thereby generally achieving a higher utilization for the relevant vessel. Drydocking can be undertaken as part of a special survey if the drydocking occurs within 15 months prior to the special survey deadline.

The following table lists the dates by which we expect to carry out the next drydockings and special surveys for the vessels in our fleet:

Vessel Name	Drydocking	Special Survey	Classification Society
<i>m/v River Globe</i>	December 2017	December 2017	Class NK
<i>m/v Sky Globe</i>	December 2017	November 2019	DNV GL
<i>m/v Star Globe</i>	July 2018	May 2020	DNV GL
<i>m/v Moon Globe</i>	June 2017	November 2020	Class NK
<i>m/v Sun Globe</i>	August 2017	August 2017	Bureau Veritas

Following an incident or a scheduled survey, if any defects are found, the classification surveyor will issue a “recommendation or condition of class” which must be rectified by the vessel owner within the prescribed time limits.

Risk Management and Insurance

General

The operation of any cargo vessel embraces a wide variety of risks, including the following:

- mechanical failure or damage, for example by reason of the seizure of a main engine crankshaft;
- cargo loss, for example arising from hull damage;
- personal injury, for example arising from collision or piracy;
- losses due to piracy, terrorist or war-like action between countries;
- environmental damage, for example arising from marine disasters such as oil spills and other environmental mishaps;
- physical damage to the vessel, for example by reason of collision;
- damage to other property, for example by reason of cargo damage or oil pollution; and
- business interruption, for example arising from strikes and political or regulatory change.

The value of such losses or damages may vary from modest sums, for example for a small cargo shortage damage claim, to catastrophic liabilities, for example arising out of a marine disaster, such as a serious oil or chemical spill, which may be virtually unlimited. While we maintain the traditional range of marine and liability insurance coverage for our fleet (hull and machinery insurance, war risks insurance and protection and indemnity coverage) in amounts and to extents that we believe are prudent to cover normal risks in our operations, we cannot insure against all risks, and we cannot be assured that all covered risks are adequately insured against. Furthermore, there can be no guarantee that any specific claim will be paid by the insurer or that it will always be possible to obtain insurance coverage at reasonable rates. Any uninsured or under-insured loss could harm our business and financial condition.

Hull and Machinery and War Risks

The principal coverages for marine risks (covering loss or damage to the vessels, rather than liabilities to third parties) are hull and machinery insurance and war risk insurance. These address the risks of the actual or constructive total loss of a vessel and accidental damage to a vessel’s hull and machinery, for example from running aground or colliding with another ship. These insurances provide coverage which is limited to an agreed “insured value” which, as a matter of policy, is never less than the particular vessel’s fair market value. Reimbursement of loss under such coverage is subject to policy deductibles that vary according to the vessel and the nature of the coverage. Hull and machinery deductibles may, for example, be between \$75,000 and \$150,000 per incident whereas the war risks insurance has a more modest incident deductible of, for example, \$30,000.

Protection and Indemnity Insurance

Protection and indemnity insurance is a form of mutual indemnity insurance provided by mutual marine protection and indemnity associations, or “P&I Clubs,” formed by vessel owners to provide protection from large financial loss to one club member by contribution towards that loss by all members.

Each of the vessels that we operate is entered in the Gard P&I (Bermuda) Ltd. which we refer to as the Club, for third party liability marine insurance coverage. The Club is a mutual insurance vehicle. As a member of the Club, we are insured, subject to agreed deductibles and our terms of entry, for our legal liabilities and expenses arising out of our interest in an entered ship, out of events occurring during the period of entry of the ship in the Club and in connection with the operation of the ship, against specified risks. These risks include liabilities arising from death of crew and passengers, loss or damage to cargo, collisions, property damage, oil pollution and wreck removal.

The Club benefits from its membership in the International Group of P&I Clubs, or the International Group, for its main reinsurance program, and maintains a separate complementary insurance program for additional risks.

The Club’s policy year commences each February. The mutual calls are levied by way of Estimated Total Premiums, or ETP, and the amount of the final installment of the ETP varies in accordance with the actual total premium ultimately required by the Club for a particular policy year. Members have a liability to pay supplementary calls which may be levied by the Club if the ETP is insufficient to cover the Club’s outgoings in a policy year.

Cover per claim is generally limited to an unspecified sum, being the amount available from reinsurance plus the maximum amount collectable from members of the International Group by way of overspill calls. Certain exceptions apply, including a \$1.0 billion limit on claims in respect of oil pollution, a \$3.0 billion limit on cover for passenger and crew claims and a sub-limit of \$2.0 billion for passenger claims.

To the extent that we experience either a supplementary or an overspill call, our policy is to expense such amounts. To the extent that the Club depends on funds paid in calls from other members in our industry, if there were an industry-wide slow-down, other members might not be able to meet the call and we might not receive a payout in the event we made a claim on a policy.

Uninsured Risks

Not all risks are insured and not all risks are insurable. The principal insurable risks which nevertheless remain uninsured across our fleet are “loss of hire” and “strikes.” We will not insure these risks because we regard the costs as disproportionate. These insurances provide, subject to a deductible, a limited indemnity for hire that is not receivable by the shipowner for reasons set forth in the policy. For example, loss of hire risk may be covered on a 14/90/90 basis, with a 14 days deductible, 90 days cover per incident and a 90-day overall limit per vessel per year. Should a vessel on time charter, where the vessel is paid a fixed hire day by day, suffer a serious mechanical breakdown, the daily hire will no longer be payable by the charterer. The purpose of the loss of hire insurance is to secure the loss of hire during such periods.

Environmental and Other Regulations

Sources of Applicable Rules and Standards

Shipping is one of the world’s most heavily regulated industries, and it is subject to many industry standards. Government regulation significantly affects the ownership and operation of vessels. These regulations consist mainly of rules and standards established by international conventions, but they also include national, state and local laws and regulations in force in jurisdictions where vessels may operate or are registered, and which may be more stringent than international rules and standards. This is the case particularly in the United States and, increasingly, in Europe.

A variety of governmental and private entities subject vessels to both scheduled and unscheduled inspections. These entities include local port authorities (the U.S. Coast Guard, harbor masters or equivalent entities), classification societies, flag state administration (country vessel of registry), and charterers, particularly terminal operators. Certain of these entities require vessel owners to obtain permits, licenses and certificates for the operation of their vessels. Failure to maintain necessary permits or approvals could require a vessel owner to incur substantial costs or temporarily suspend operation of one or more of its vessels.

Heightened levels of environmental and quality concerns among insurance underwriters, regulators and charterers continue to lead to greater inspection and safety requirements on all vessels and may accelerate the scrapping of older vessels throughout the industry. Increasing environmental concerns have created a demand for vessels that conform to stricter environmental standards. Vessel owners are required to maintain operating standards for all vessels that will emphasize operational safety, quality maintenance, continuous training of officers and crews and compliance with U.S. and international regulations. Because laws and regulations are frequently changed and may impose increasingly stricter requirements, we cannot predict the ultimate cost of complying with these requirements, or the impact of these requirements on the resale value or useful lives of our vessels. In addition, a future serious marine incident that causes significant adverse environmental impact could result in additional legislation or regulation that could negatively affect our profitability.

The following is an overview of certain material conventions, laws and regulations that affect our business and the operation of our vessels. It is not a comprehensive summary of all the conventions, laws and regulations to which we are subject.

The International Maritime Organization, or IMO, is a United Nations agency setting standards and creating a regulatory framework for the shipping industry and has negotiated and adopted a number of international conventions. These fall into two main categories, consisting firstly of those concerned generally with vessel safety and security standards, and secondly of those specifically concerned with measures to prevent pollution from vessels.

Ship Safety Regulation

A primary international safety convention is the Safety of Life at Sea Convention of 1974, as amended, or SOLAS, including the regulations and codes of practice that form part of its regime. Much of SOLAS is not directly concerned with preventing pollution, but some of its safety provisions are intended to prevent pollution as well as promote safety of life and preservation of property. These regulations have been and continue to be regularly amended as new and higher safety standards are introduced with which we are required to comply.

An amendment of SOLAS introduced in 1993 the International Management Code for the Safe Operation of Ships and for Pollution Prevention, or ISM Code, which has been mandatory since July 1998. The purpose of the ISM Code is to provide an international standard for the safe management and operation of vessels and for pollution prevention. Under the ISM Code, the party with operational control of a vessel is required to develop, implement and maintain an extensive safety management system that includes, among other things, the adoption of a safety and environmental protection policy setting forth instructions and procedures for operating its vessels safely and protecting the environment and describing procedures for responding to emergencies. The ISM Code requires that vessel operators obtain a Safety Management Certificate for each vessel they operate. This certificate issued after verification that the vessel’s operator and its shipboard management operate in accordance with the approved safety management system and evidences that the vessel complies with the requirements of the ISM Code. No vessel can obtain a Safety Management Certificate unless its operator has been awarded a document of compliance, issued by the respective flag state for the vessel, under the ISM Code.

Another amendment of SOLAS, made after the terrorist attacks in the United States on September 11, 2001, introduced special measures to enhance maritime security, including the International Ship and Port Facility Security Code, or ISPS Code, which sets out measures for the enhancement of security of vessels and port facilities.

The vessels that we operate maintain ISM and ISPS certifications for safety and security of operations.

Regulations to Prevent Pollution from Ships

In the second main category of international regulation which deals with prevention of pollution, the primary convention is the International Convention for the Prevention of Pollution from Ships 1973 as amended by the 1978 Protocol, or MARPOL, which imposes environmental standards on the shipping industry set out in its Annexes I-VI. These contain regulations for the prevention of pollution by oil (Annex I), by noxious liquid substances in bulk (Annex II), by harmful substances in packaged forms within the scope of the International Maritime Dangerous Goods Code (Annex III), by sewage (Annex IV), by garbage (Annex V) and by air emissions (Annex VI).

These regulations have been and continue to be regularly amended and supplemented as new and higher standards of pollution prevention are introduced with which we are required to comply.

For example, MARPOL Annex VI sets limits on Sulphur Oxides (SOx) and Nitrogen Oxides (NOx) and particulate matter emissions from vessel exhausts and prohibits deliberate emissions of ozone depleting substances. It also regulates the emission of volatile organic compounds (VOC) from cargo tankers and certain gas carriers, as well as shipboard incineration of specific substances. Annex VI also includes a global cap on the sulphur content of fuel oil with a lower cap on the sulphur content applicable inside special areas, the “Emission Control Areas” or ECAs. Already established ECAs include the Baltic Sea, the North Sea, including the English Channel, the North American area and the US Caribbean Sea area. The global cap on the sulphur content of fuel oil is currently 3.5% to be reduced to 0.5% from January 1, 2010. From January 1, 2015 the cap on the sulphur content of fuel oil for vessels operating in ECAs has been 0.1%. Annex VI also provides for progressive reductions in NOx emissions from marine diesel engines installed in vessels. Limiting NOx emissions is set on a three tier reduction, the final one of which (“Tier III”) to apply to engines installed on vessels constructed on or after January 1, 2016 and which operate in the North American ECA or the US Caribbean Sea ECA. The Tier III requirements would also apply to engines of vessels operating in other ECAs as may be designated in the future by the IMO’s Marine Environment Protection Committee (or MEPC) for Tier III NOx control. The Tier III requirements do not apply to engines installed on vessels constructed prior to January 1, 2021, if they are of less than 500 gross tons, of 24 m or over in length, and have been designed and used solely for recreational purposes. We anticipate incurring costs at each stage of implementation on all these areas. Currently we are compliant in all our vessels.

Greenhouse Gas Emissions

In February 2005, the Kyoto Protocol to the United Nations Framework Convention on Climate Change entered into force. Pursuant to the Kyoto Protocol, adopting countries are required to implement national programs to reduce emissions of certain gases, generally referred to as greenhouse gases, which are suspected of contributing to global warming. Currently, the greenhouse gas emissions from international shipping do not come under the Kyoto Protocol. . In December 2009, more than 27 nations, including the United States, entered into the Copenhagen Accord. The Copenhagen Accord is non-binding, but is intended to pave the way for a comprehensive, international treaty on climate change. On December 12, 2015 the Paris Agreement was adopted by 195 countries. The Paris Agreement (which is also non-binding) deals with greenhouse gas emission reduction measures and targets from 2020 in order to limit the global temperature increases above pre-industrial levels to well below 2° Celsius. Although shipping was ultimately not included in the Paris Agreement, it is expected that the adoption of the Paris Agreement may lead to regulatory changes in relation to curbing greenhouse gas emissions from shipping. In July 2011 the IMO adopted regulations imposing technical and operational measures for the reduction of greenhouse gas emissions. These new regulations formed a new chapter in Annex VI of MARPOL and became effective on January 1, 2013. The new technical and operational measures include the “Energy Efficiency Design Index,” which is mandatory for newbuilding vessels, and the “Ship Energy Efficiency Management Plan,” which is mandatory for all vessels. In addition, the IMO is evaluating various mandatory measures to reduce greenhouse gas emissions from international shipping, which may include market-based instruments or a carbon tax. In October 2014 the IMO’s MEPC agreed in principle to develop a system of data collection regarding fuel consumption of vessels. Work on the development of such a system continued during 2015.

The EU also has indicated that it intends to propose an expansion of an existing EU emissions trading regime to include emissions of greenhouse gases from vessels, and individual countries in the EU may impose additional requirements. The EU recently adopted Regulation (EU) 2015/757 on the monitoring, reporting and verification of carbon dioxide emissions from vessels (or the MRV Regulation), which was published in the Official Journal on May 19, 2015 and entered into force on July 1, 2015. The MRV Regulation is to apply to all vessels over 5,000 gross tonnage (except for a few types, such as, amongst others, warships and fish catching or processing vessels), irrespective of flag, in respect of carbon dioxide emissions released during intra-EU voyages and EU incoming and outgoing voyages. The first reporting period will commence on January 1, 2018.. The monitoring, reporting and verification system adopted by the MRV Regulation may be the precursor to a market-based mechanism to be adopted in the future. In the United States, the U.S. Environmental Protection Agency, or EPA, issued an “endangerment finding” regarding greenhouse gases under the Clean Air Act. While this finding in itself does not impose any requirements on our industry, it authorizes the EPA to regulate directly greenhouse gas emissions through a rule-making process. Any passage of new climate control legislation or other regulatory initiatives by the IMO, EU, the United States or other countries or states where we operate that restrict emissions of greenhouse gases could have a significant financial and operational impact on our business through increased compliance costs or additional operational restrictions that we cannot predict with certainty at this time.

Anti-Fouling Requirements

In 2001, the IMO adopted the International Convention on the Control of Harmful Anti-fouling Systems on Ships, or the Anti-fouling Convention. The Anti-fouling Convention, which entered into force in September 2008, prohibits and/or restricts the use of organotin compound coatings to prevent the attachment of mollusks and other sea life to the hulls of vessels. Vessels of over 400 gross tons engaged in international voyages must obtain an International Anti-Fouling System Certificate and undergo a survey before the vessel is put into service or before the Anti-fouling System Certificate is issued for the first time and when the anti-fouling systems are altered or replaced.

Other International Regulations to Prevent Pollution

In addition to MARPOL, other more specialized international instruments have been adopted to prevent different types of pollution or environmental harm from vessels.

In February 2004, the IMO adopted an International Convention for the Control and Management of Ships’ Ballast Water and Sediments, or the BWM Convention. The BWM Convention aims to prevent the spread of harmful aquatic organisms from one region to another, by establishing standards and procedures for the management and control of vessels’ ballast water and sediments. The BWM Convention’s implementing regulations require vessels to conduct ballast water management in accordance with the standards set out in the convention, which include performance of ballast water exchange in accordance with the requirements set out in the relevant regulation and the gradual phasing in of a ballast water performance standard which requires ballast water treatment and the installation of ballast water treatment systems on board the vessels. The BWM Convention will not enter into force until 12 months after it has been adopted by 30 states, the combined merchant fleets of which represent not less than 35.0% of the gross tonnage of the world’s merchant shipping. Under the BWM Convention, vessels are required to implement a Ballast Water and Sediments Management Plan, carry a Ballast Water Record Book and an International Ballast Water Management Certificate. The BWM Convention has not come into force yet as although more than 30 states have adopted it to date, their combined merchant fleets currently constitute less than 35% of the gross tonnage of the world’s merchant fleet.

The Hong Kong International Convention for the Safe and Environmentally Sound Recycling of Ships adopted by the IMO in 2009, or the Recycling Convention, deals with issues relating to ship recycling and aims to address the occupational health and safety, as well as environmental risks relating to ship recycling. It contains regulations regarding the design, construction, operation, maintenance and recycling of vessels, as well as regarding their survey and certification to verify compliance with the requirements of the Recycling Convention. The Recycling Convention, amongst other things, prohibits and/or restricts the installation or use of hazardous materials on vessels and requires vessels to have on board an inventory of hazardous materials specific to each vessel. It also requires ship recycling facilities to develop a ship-recycling plan for each vessel prior to its recycling. Parties to the Recycling Convention are to ensure that ship-recycling facilities are designed, constructed and operated in a safe and environmentally sound manner and that they are authorized by competent authorities after verification of compliance with the requirements of the Recycling Convention. The Recycling Convention (which is not effective yet) is to enter into force 24 months after a specified minimum number of states with a combined gross tonnage and maximum annual recycling volume during the preceding 10 years have ratified it.

A MARPOL regulation and the International Convention on Oil Pollution Preparedness, Response and Co-operation, 1990 also require owners and operators of vessels to adopt Shipboard Oil Pollution Emergency Plans. Another MARPOL regulation sets out similar requirements for the adoption of shipboard marine pollution emergency plans for noxious liquid substances with respect to vessels carrying such substances in bulk. Periodic training and drills for response personnel and for vessels and their crews are required.

European regulations in the maritime sector are in general based on international law most of which were promulgated by the IMO and then adopted by the Member States. However, since the *Erika* incident in 1999, when the *Erika* broke in two off the coast of France while carrying heavy fuel oil, the European Union (or EU) has become increasingly active in the field of regulation of maritime safety and protection of the environment. It has been the driving force behind a number of amendments of MARPOL (including, for example, changes to accelerate the timetable for the phase-out of single hull tankers, and prohibiting the carriage in such tankers of heavy grades of oil), and if dissatisfied either with the extent of such amendments or with the timetable for their introduction it has been prepared to legislate on a unilateral basis. In some instances where it has done so, international regulations have subsequently been amended to the same level of stringency as that introduced in the EU, but the risk is well established that EU regulations (and other jurisdictions) may from time to time impose burdens and costs on shipowners and operators which are additional to those involved in complying with international rules and standards.

In some areas of regulation the EU has introduced new laws without attempting to procure a corresponding amendment of international law. Notably, it adopted in 2005 a directive on ship-source pollution (which has been amended in 2009), imposing criminal sanctions for discharges of oil and other noxious substances from vessels sailing in its waters, irrespective of their flag not only where such pollution is caused by intent or recklessness (which would be an offense under MARPOL), but also where it is caused by “serious negligence.” The directive could therefore result in criminal liability being incurred in circumstances where it would not be incurred under international law. Experience has shown that in the emotive atmosphere often associated with pollution incidents, retributive attitudes towards vessel interests have found expression in negligence being alleged by prosecutors and found by courts on grounds which the international maritime community has found hard to understand. Moreover, there is skepticism that the notion of “serious negligence” is likely to prove any narrower in practice than ordinary negligence. Criminal liability for a pollution incident could not only result in us incurring substantial penalties or fines but may also, in some jurisdictions, facilitate civil liability claims for greater compensation than would otherwise have been payable.

The EU has also adopted legislation requiring the use of low sulphur fuel. Under Council Directive 1999/32/EC as subsequently amended (most recently by Directive 2012/33/EU), from January 1, 2015, vessels are required to burn fuel with a sulphur content not exceeding 0.1% while within EU member states’ territorial seas, exclusive economic zones and pollution control zones falling within sulphur oxide (SOx) Emission Control Areas (or SECAs), such as the Baltic Sea and the North Sea, including the English Channel. Further sea areas may be designated as SECAs in the future by the IMO in accordance with MARPOL Annex VI.

The EU has also adopted legislation (Directive 2009/16/EC on Port State Control, as subsequently amended) which requires the Member States to refuse access to their ports to certain sub-standard vessels according to various factors, such as the vessel’s condition, flag and number of previous detentions within certain preceding periods; creates obligations on the part of EU member port states to inspect minimum percentages of vessels using their ports annually; and provides for increased surveillance of vessels posing a high risk to maritime safety or the marine environment. If deficiencies are found that are clearly hazardous to safety, health or the environment, the state is required to detain the vessel or stop loading or unloading until the deficiencies are addressed. Member states are also required to implement their own separate systems of proportionate penalties for breaches of these standards.

Commission Regulation (EU) No 802/2010, which was adopted by the European Commission in September 2010, as part of the implementation of the Port State Control Directive and came into force on January 1, 2011, as subsequently amended by Regulation 1205/2012 of December 14, 2012, introduced a ranking system (published on a public website and updated daily) displaying shipping companies operating in the EU with the worst safety records. The ranking is judged upon the results of the technical inspections carried out on the vessels owned by a particular shipping company. Those shipping companies that have the most positive safety records are rewarded by being subjected to fewer inspections, whilst those with the most safety shortcomings or technical failings recorded upon inspection are to be subjected to a greater frequency of official inspections of their vessels.

By Directive 2009/15/EC of April 23, 2009 (on common rules and standards for ship inspection and survey organizations and for the relevant activities of maritime administrations) as amended by Directive 2014/111/EU of December 17, 2014, the European Union has established measures to be followed by the Member States for the exercise of authority and control over classification societies, including the ability to seek to suspend or revoke the authority of classification societies that are negligent in their duties.

The EU has also adopted Regulation (EU) No 1257/2013 which lays down rules in relation to ship recycling and management of hazardous materials on vessels. The Regulation lays down requirements for the recycling of vessels in an environmentally sound manner at approved recycling facilities which meet certain requirements, so as to minimize the adverse effects of recycling on human health and the environment. The Regulation also lays down rules for the control and proper management of hazardous materials on vessels and prohibits or restricts the installation or use of certain hazardous materials on vessels. The Regulation aims at facilitating the ratification of the Recycling Convention. It applies to vessels flying the flag of a Member State and certain of its provisions apply to vessels flying the flag of a third country calling at a port or anchorage of a Member State. For example, when calling at a port or anchorage of a Member State, the vessels flying the flag of a third country will be required, amongst other things, to have on board an inventory of hazardous materials which complies with the requirements of the Regulation and to be able to submit to the relevant authorities of that Member State a copy of a statement of compliance issued by the relevant authorities of the country of their flag and verifying the inventory. The Regulation is to apply not earlier than December 31, 2015 and not later than December 31, 2018, although certain of its provisions are to apply from December 31, 2014 and certain others from December 31, 2020.

Compliance Enforcement

The flag state, as defined by the United Nations Convention on the Law of the Sea, has overall responsibility for the implementation and enforcement of international maritime regulations for all vessels granted the right to fly its flag. The “Shipping Industry Guidelines on Flag State Performance” issued by the International Chamber of Shipping in cooperation with other international shipping associations evaluates flag states based on factors such as port state control record, ratification of major international maritime treaties, use of recognized organizations conducting survey work on their behalf which comply with the IMO guidelines, age of fleet, compliance with reporting requirements and participation at IMO meetings. The vessels that we operate are flagged in the Marshall Islands and Malta. Marshall Islands- and Malta-flagged vessels have historically received a good assessment in the shipping industry.

Noncompliance with the ISM Code or other IMO regulations may subject the shipowner or bareboat charterer to increased liability and, if the implementing legislation so provides, to criminal sanctions, may lead to decreases in available insurance coverage for affected vessels or may invalidate or result in the loss of existing insurance cover and may result in the denial of access to, or detention in, some ports. The U.S. Coast Guard and European Union authorities have, for example, indicated that vessels not in compliance with the ISM Code will be prohibited from trading in U.S. and European Union ports, respectively. As of the date of this annual report on Form 20-F, each of our vessels is ISM Code certified. However, there can be no assurance that such certificate will be maintained.

The IMO continues to review and introduce new regulations. It is impossible to predict what additional regulations, if any, may be passed by the IMO and what effect, if any, such regulations may have on our operations.

United States Environmental Regulations and Laws Governing Civil Liability for Pollution

Environmental legislation in the United States merits particular mention as it is in many respects more onerous than international laws, representing a high-water mark of regulation with which shipowners and operators must comply, and of liability likely to be incurred in the event of non-compliance or an incident causing pollution.

U.S. federal legislation, including notably the OPA, establishes an extensive regulatory and liability regime for the protection and cleanup of the environment from oil spills, including bunker oil spills from dry bulk vessels as well as cargo or bunker oil spills from tankers. The OPA affects all owners and operators whose vessels trade in the United States, its territories and possessions or whose vessels operate in United States waters, which includes the United States’ territorial sea and its 200 nautical mile exclusive economic zone. Under the OPA, vessel owners, operators and bareboat charterers are “responsible parties” and are jointly, severally and strictly liable without regard to fault (unless the spill results solely from the act or omission of a third party, an act of God or an act of war) for all containment and clean-up costs and other damages arising from discharges or substantial threats of discharges of oil from their vessels. The OPA expressly allows the individual states of the United States to impose their own liability regimes for the discharge of petroleum products. In addition to potential liability under the OPA as the relevant federal legislation, vessel owners may in some instances incur liability on an even more stringent basis under state law in the particular state where the spillage occurred.

The OPA requires the owner or operator of any non-tank vessel of 400 gross tons or more that carries oil of any kind as a fuel for main propulsion, including bunkers, to prepare and submit a response plan for each vessel. The vessel response plans must include detailed information on actions to be taken by vessel personnel to prevent or mitigate any discharge or substantial threat of such a discharge of oil from the vessel.

The OPA limits the liability of responsible parties to the greater of \$1,100 per gross ton or \$939,800 per non-tank vessel (subject to possible adjustment for inflation). However, these limits of liability do not apply if an incident was proximately caused by violation of applicable United States federal safety, construction or operating regulations or by a responsible party’s gross negligence or willful misconduct, or if the responsible party fails or refuses to report the incident or to cooperate and assist in connection with oil removal activities.

In addition, the Comprehensive Environmental Response, Compensation, and Liability Act, or CERCLA, which applies to the discharge of hazardous substances (other than oil) whether on land or at sea, contains a similar liability regime and provides for cleanup, removal and natural resource damages. Liability under CERCLA is limited to the greater of \$300 per gross ton or \$0.5 million for vessels not carrying hazardous substances as cargo or residue (\$5.0 million for vessels carrying hazardous substances) unless the incident is caused by gross negligence, willful misconduct or a violation of certain regulations, in which case liability is unlimited.

We maintain, for each of our vessels, protection and indemnity coverage against pollution liability risks in the amount of \$1.0 billion per event. This insurance coverage is subject to exclusions, deductibles and other terms and conditions. If any liabilities or expenses fall within an exclusion from coverage, or if damages from a catastrophic incident exceed the \$1.0 billion limitation of coverage per event, our cash flow, profitability and financial position could be adversely impacted.

We believe our insurance and protection and indemnity coverage as described above meets the requirements of the OPA.

The OPA requires owners and operators of all vessels over 300 gross tons, even those that do not carry petroleum or hazardous substances as cargo, to establish and maintain with the U.S. Coast Guard evidence of financial responsibility sufficient to meet their potential liabilities under the OPA. The U.S. Coast Guard has implemented regulations requiring evidence of financial responsibility for containerships in the amount of \$1,400 per gross ton, which includes the OPA limitation on liability of \$1,100 per gross ton and the CERCLA liability limit of \$300 per gross ton for vessels not carrying hazardous substances as cargo or residue. Under the regulations, vessel owners and operators may evidence their financial responsibility by showing proof of insurance, surety bond, self-insurance or guaranty.

Under the OPA, an owner or operator of a fleet of vessels is required only to demonstrate evidence of financial responsibility in an amount sufficient to cover the vessel in the fleet having the greatest limited liability under the OPA.

The U.S. Coast Guard’s regulations concerning certificates of financial responsibility provide, in accordance with the OPA, that claimants may bring suit directly against an insurer or guarantor that furnishes the guaranty that supports the certificates of financial responsibility. In the event that such insurer or guarantor is sued directly, it is prohibited from asserting any contractual defense that it may have had against the responsible party and is limited to asserting those defenses available to the responsible party and the defense that the incident was caused by the willful misconduct of the responsible party.

The OPA specifically permits individual states to impose their own liability regimes with regard to oil pollution incidents occurring within their boundaries, and some states have enacted legislation providing for unlimited liability for oil spills. In some cases, states that have enacted such legislation have not yet issued implementing regulations defining vessels owners’ responsibilities under these laws. We intend to comply with all applicable state regulations in the ports where our vessels call.

The United States Clean Water Act, or CWA, prohibits the discharge of oil or hazardous substances in U.S. navigable waters and imposes strict liability in the form of penalties for unauthorized discharges. The CWA also imposes substantial liability for the costs of removal, remediation and damages and complements the remedies available under CERCLA.

The EPA enacted rules governing the regulation of ballast water discharges and other discharges incidental to the normal operation of vessels within U.S. waters. Under the rules, commercial vessels 79 feet in length or longer (other than commercial fishing vessels), or Regulated Vessels, are required to obtain a CWA permit regulating and authorizing such normal discharges. This permit, which the EPA has designated as the Vessel General Permit for Discharges Incidental to the Normal Operation of Vessels, or VGP, incorporates the current U.S. Coast Guard requirements for ballast water management as well as supplemental ballast water requirements, and includes limits applicable to specific discharge streams, such as deck runoff, bilge water and gray water.

For each discharge type, among other things, the VGP establishes effluent limits pertaining to the constituents found in the effluent, including best management practices, or BMPs, designed to decrease the amount of constituents entering the waste stream. Unlike land-based discharges, which are deemed acceptable by meeting certain EPA-imposed numerical effluent limits, each of the VGP discharge limits is deemed to be met when a Regulated Vessel carries out the BMPs pertinent to that specific discharge stream. The VGP imposes additional requirements on certain Regulated Vessel types that emit discharges unique to those vessels. Administrative provisions, such as inspection, monitoring, recordkeeping and reporting requirements are also included for all Regulated Vessels.

The VGP application procedure, known as the Notice of Intent, or NOI, may be accomplished through the “eNOP” electronic filing interface. We submitted NOIs for all our vessels to which the CWA applies. The Vessel General Permit contains limits on effluents, and specific measures with respect to ships operating on the Great Lakes.

In addition, pursuant to Section 401 of the CWA, which requires each state to certify federal discharge permits such as the VGP, certain states have enacted additional discharge standards as conditions to their certification of the VGP. These local standards bring the VGP into compliance with more stringent state requirements, such as those further restricting ballast water discharges and preventing the introduction of non-indigenous species considered to be invasive. The VGP and related state-specific regulations and any similar restrictions enacted in the future will increase the costs of operating in the relevant waters.

The U.S. National Invasive Species Act, or NISA, was enacted in 1996 in response to growing reports of harmful organisms being released into U.S. ports through ballast water taken on by vessels in foreign ports. NISA established a ballast water management program for vessels entering U.S. waters. Under NISA, mid-ocean ballast water exchange is voluntary, except for vessels heading to the Great Lakes or Hudson Bay, or vessels engaged in the foreign export of Alaskan North Slope crude oil. However, NISA’s reporting and record keeping requirements are mandatory for vessels bound for any port in the United States.

In March 2012, the U.S. Coast Guard issued a final rule establishing standards for the allowable concentration of living organisms in ballast water discharged in U.S. waters and requiring the phase-in of Coast Guard approved ballast water management systems. The rule went into effect in June 2012, and adopts ballast water discharge standards for vessels calling on U.S. ports and intending to discharge ballast water equivalent to those set in IMO’s Ballast Water Management Convention. The final rule requires that ballast water discharge have no more than 10 living organisms per milliliter for organisms between 10 and 50 micrometers in size. For organisms larger than 50 micrometers, the discharge can have 10 living organisms per cubic meter of discharge. The U.S. Coast Guard will review the practicability of implementing a more stringent ballast water discharge standard. The rule requires installation of Coast Guard approved ballast water management systems by new vessels constructed on or after December 1, 2013, and existing vessels as of their first drydocking after January 1, 2016. If Coast Guard type approved technologies are not available by a vessel’s compliance date, the vessel may request an extension to the deadline from the U.S. Coast Guard.

Security Regulations

Since the terrorist attacks of September 11, 2001, there have been a variety of initiatives intended to enhance vessel security. In November 2002, the MTSA came into effect. To implement certain portions of the MTSA, in July 2003, the U.S. Coast Guard issued regulations requiring the implementation of certain security requirements aboard vessels operating in waters subject to the jurisdiction of the United States. Similarly, in December 2002, amendments to SOLAS created a new chapter of the convention dealing specifically with maritime security. The new chapter went into effect on July 1, 2004, and imposes various detailed security obligations on vessels and port authorities, most of which are contained in the newly created ISPS Code. Among the various requirements are:

- on-board installation of automatic information systems to enhance vessel-to-vessel and vessel-to-shore communications;
- on-board installation of ship security alert systems;

- the development of vessel security plans; and
- compliance with flag state security certification requirements.

The U.S. Coast Guard regulations, intended to be aligned with international maritime security standards, exempt non-U.S. vessels from MTSA vessel security measures, provided such vessels have on board a valid International Ship Security Certificate that attests to the vessel’s compliance with SOLAS security requirements and the ISPS Code. The vessels in our fleet that we operate have on board valid International Ship Security Certificates and, therefore, will comply with the requirements of the MTSA.

International Laws Governing Civil Liability to Pay Compensation or Damages

Although the United States is not a party to the International Convention on Civil Liability for Oil Pollution Damage of 1969, as amended by the 1992 Protocol and further amended in 2000, or the CLC (which has been adopted by the IMO and sets out a liability regime in relation to oil pollution damage), many countries are parties and have ratified either the original CLC or its 1992 Protocol. Under the CLC, a vessel’s registered owner is strictly liable for pollution damage caused in the territorial waters or, under the 1992 Protocol, in the exclusive economic zone or equivalent area, of a contracting state by discharge of persistent oil, subject to certain defenses and subject to the right to limit liability. The original CLC applies to vessels carrying oil as cargo and not in ballast, whereas the CLC as amended by the 1992 Protocol applies to tanker vessels and combination carriers (i.e., vessels which sometimes carry oil in bulk and sometimes other cargoes) but only when the latter carry oil in bulk as cargo and during any voyage following such carriage (to the extent they have oil residues on board). The limits on liability are based on the use of the International Monetary Fund currency unit of Special Drawing Rights, or SDR. Under the 2000 amendment to the 1992 Protocol that became effective on November 1, 2003, for vessels between 5,000 and 140,000 gross tons (a unit of measurement for the total enclosed spaces within a vessel), liability is limited to approximately 4.51 million SDR plus 631 SDR for each additional gross ton over 5,000. For vessels of over 140,000 gross tons, liability is limited to 89.77 million SDR. The exchange rate between SDRs and U.S. dollars was 0.710181 per dollar on April 26, 2016. Under the original CLC, the right to limit liability is forfeited where the incident causing the damage is caused by the owner’s actual fault or privity and under the 1992 Protocol where the relevant incident is caused by the owner’s personal act or omission, committed with the intent to cause such damage, or recklessly and with knowledge that such damage would probably result. Vessels trading with states that are parties to these conventions must provide evidence of insurance covering the liability of the owner. In jurisdictions where the CLC has not been adopted, various legislative schemes or common law govern, and liability is imposed either on the basis of fault or in a manner similar to that of the convention. We believe that our protection and indemnity insurance will cover the liability under the regime adopted by the IMO.

The CLC is supplemented by the International Convention on the Establishment of an International Fund for Compensation for Oil Pollution Damage 1971, as amended (or the Fund Convention). The purpose of the Fund Convention was the creation of a supplementary compensation fund (the International Oil Pollution Compensation Fund, or IOPC Fund) which provides additional compensation to victims of a pollution incident who are unable to obtain adequate or any compensation under the CLC.

In 2001, the IMO adopted the International Convention on Civil Liability for Bunker Oil Pollution Damage, or the Bunker Convention, which covers liability and compensation for pollution damage caused in the territorial waters or the exclusive economic zone or equivalent area of ratifying states by discharges of “bunker oil.” The Bunker Convention defines “bunker oil” as “any hydrocarbon mineral oil, including lubricating oil, used or intended to be used for the operation or propulsion of the ship, and any residues of such oil.” The Bunker Convention imposes strict liability (subject to certain defenses) on the shipowner (which term includes the registered owner, bareboat charterer, manager and operator of the vessel). It also requires registered owners of vessels over a certain size to maintain insurance for pollution damage in an amount equal to the limits of liability under the applicable national or international limitation regime (but not exceeding the amount calculated in accordance with the Convention on Limitation of Liability for Maritime Claims of 1976, as amended by the 1996 Protocol to it, or the 1976 Convention). The Bunker Convention entered into force in November 2008. In other jurisdictions, liability for spills or releases of oil from vessels’ bunkers continues to be determined by the national or other domestic laws in the jurisdiction where the events or damages occur.

The IMO’s International Convention on Liability and Compensation for Damage in Connection with the Carriage of Hazardous and Noxious Substances by Sea 1996, as superseded by the 2010 Protocol, or the HNS Convention, sets out a liability regime for loss or damage caused by hazardous or noxious substances carried on board a vessel. These substances are listed in the convention itself or defined by reference to lists of substances included in various IMO conventions and codes. The HNS Convention covers loss or damage by contamination to the environment, costs of preventive measures and further damage caused by such measures, loss or damage to property outside the ship and loss of life or personal injury caused by such substances on board or outside the ship. It imposes strict liability (subject to certain defenses) on the registered owner of the vessel and provides for limitation of liability and compulsory insurance. The owner’s right to limit liability is lost if it is proved that the damage resulted from the owner’s personal act or omission, committed with the intent to cause such damage, or recklessly and with knowledge that such damage would probably result. The HNS Convention has not entered into force yet.

Outside the United States, national laws generally provide for the owner to bear strict liability for pollution, subject to a right to limit liability under applicable national or international regimes for limitation of liability. The most widely applicable international regime limiting maritime pollution liability is the 1976 Convention. However, claims for oil pollution damage within the meaning of the CLC or any Protocol or amendment to it are expressly excepted from the limitation regime set out in the 1976 Convention. Rights to limit liability under the 1976 Convention are forfeited where it is proved that the loss resulted from the shipowner’s personal act or omissions, committed with the intent to cause such loss, or recklessly and with knowledge that such loss would probably result. Some states have ratified the 1996 Protocol to the 1976 Convention, which provides for liability limits substantially higher than those set forth in the original 1976 Convention to apply in such states. Finally, some jurisdictions are not a party to either the 1976 Convention or the 1996 Protocol, and some are parties to other earlier limitation of liability conventions and, therefore, shipowners’ rights to limit liability for maritime pollution in such jurisdictions may be different or uncertain.

The Maritime Labour Convention

The International Labour Organization’s Maritime Labour Convention was adopted in 2006 (“MLC 2006”). The basic aims of the MLC 2006 are to ensure comprehensive worldwide protection of the rights of seafarers and to establish a level playing field for countries and ship owners committed to providing decent working and living conditions for seafarers, protecting them from unfair competition on the part of substandard ships. The Convention was ratified on August 20, 2012, and all our vessels have been certified, as required. We do not expect that the MLC 2006 requirements will have a material effect on our operations.

C. Organizational Structure

Globus Maritime Limited is a holding company. As of April 22, 2016, Globus wholly owns six operational subsidiaries, five of which are Marshall Islands corporations and one of which is incorporated in Malta. Five of our operational subsidiaries each own one vessel and our sixth operational subsidiary, our Manager, provides the technical and day-to-day commercial management of our fleet and to one vessel that we sold to an unrelated third party in March 2016. Our Manager maintains ship management agreements with each of our vessel-owning subsidiaries as well as with the third party vessel that it manages. For additional information about these subsidiaries, see “Exhibit 8.1 Subsidiaries of Globus Maritime Limited”.

D. Property, Plants and Equipment

In August 2006, our Manager entered into a rental agreement for 350 square meters of office space for our operations within a building owned by Cyberonica S.A., a company related to us through common control. Rental expense was €14,578 per month until December 31, 2015. The rental agreement provided for an annual increase in rent of 2% above the rate of inflation as set by the Bank of Greece. The contract ran for nine years and could have been terminated by us with six months’ notice, and terminated at the end of 2015. We renewed the rental agreement at a monthly rate of €10,360, but otherwise on substantially similar terms. We do not presently own any real estate. As of December 31, 2015, we owed Cyberonica approximately \$191,000 of back rent.

For information about our vessels and how we account for them, see “Item 5. Operating and Financial Review and Prospects. A. Operating Results – Results of Operations – Critical Accounting Policies – Impairment of Long-Lived Assets.” Other than our vessels, we do not have any material property. Our vessels are subject to priority mortgages, which secure our obligations under our various loan and credit facilities.

For further details regarding our loan agreements and credit facilities, please see “Item 5. Operating and Financial Review and Prospects — B. Liquidity and Capital Resources — Indebtedness.”

We have no manufacturing capacity, nor do we produce any products.

We believe that our existing facilities are adequate to meet our needs for the foreseeable future.

Item 4A. Unresolved Staff Comments

None.

Item 5. Operating and Financial Review and Prospects

The following discussion should be read in conjunction with our consolidated financial statements and the accompanying notes thereto included elsewhere in this annual report on Form 20-F. We believe that the following discussion contains forward-looking statements that involve risks and uncertainties. Actual results or plan of operations could differ materially from those anticipated by forward-looking information due to factors discussed under “Item 3.D. Risk Factors” and elsewhere in this annual report on Form 20-F. Please see the section “Cautionary Note Regarding Forward-Looking Statements” at the beginning of this annual report on Form 20-F.

A. Operating Results

Overview

We are an integrated dry bulk shipping company, which began operations in September 2006, providing marine transportation services on a worldwide basis. We own, operate and manage a fleet of dry bulk vessels that transport iron ore, coal, grain, steel products, cement, alumina and other dry bulk cargoes internationally, and we manage one ship that we do not own. Following the conclusion of our initial public offering on June 1, 2007, our common shares were listed on the AIM under the ticker “GLBS.L.” On July 29, 2010, we effected a one-for-four reverse stock split, with our issued share capital resulting in 7,240,852 common shares of \$0.004 each. On November 24, 2010, we redomiciled into the Marshall Islands pursuant to the BCA and a resale registration statement for our common shares was declared effective by the SEC. Once the resale registration statement was declared effective by the SEC, our common shares began trading on the Nasdaq Global Market under the ticker “GLBS.” We delisted our common shares from the AIM on November 26, 2010.

On June 30, 2011, we completed a follow-on public offering in the United States under the Securities Act, of 2,750,000 common shares at a price of \$8.00 per share, the net proceeds of which amounted to approximately \$20 million. As of December 31, 2015, our issued and outstanding capital stock consisted of 10,319,151 common shares and 2,567 Series A Preferred Shares.

As of December 31, 2010, our fleet consisted of five dry bulk vessels (three Supramaxes, one Panamax and one Kamsarmax) with an aggregate carrying capacity of 319,664 dwt. In March 2011, we purchased from an unaffiliated third party a 2007-built Supramax vessel for \$30.3 million. The vessel was delivered in September 2011 and was named “Sun Globe.” In May 2011, we purchased from an unaffiliated third party a 2005-built Panamax vessel for \$31.4 million. The vessel was delivered in June 2011 and was named “Moon Globe.” As of December 31, 2014 and 2013, our fleet consisted of seven dry bulk vessels (four Supramaxes, two Panamax and one Kamsarmax) with an aggregate carrying capacity of 452,886 dwt.

In July 2015, we sold “*Tiara Globe*”, a 1998-built Panamax. As of December 31, 2015 our fleet comprised a total of six dry bulk vessels, consisting of one Panamax, four Supramaxes and one Kamsarmax, with an average age of 7.4 years and carrying capacity of 379,958 dwt.

In March 2016, we reached a settlement agreement with Commerzbank relating to the Kelty Loan Agreement. Commerzbank agreed to settle the outstanding indebtedness of \$15.65 million in return for the sale of the shares of Kelty Marine Ltd. for \$6.86 million plus overdue interest of \$40,708. If the total amount of cash and bank balances and bank deposits exceeds \$10 million in the aggregate as declared on June 30, 2016 then we must pay to Commerzbank any excess amounts. If there is no excess, Globus will be released from its guarantee.

We intend to stabilize and then try to grow our fleet through timely and selective acquisitions of modern vessels in a manner that we believe will provide an attractive return on equity and will be accretive to our earnings and cash flow based on anticipated market rates at the time of purchase. There is no guarantee however, that we will be able to find suitable vessels to purchase or that such vessels will provide an attractive return on equity or be accretive to our earnings and cash flow.

Our strategy is to generally employ our vessels on a mix of all types of charter contracts, including bareboat charters, time charters and spot charters although all of our vessels are currently on the spot market. We may, from time to time, enter into charters with longer durations depending on our assessment of market conditions.

We seek to manage our fleet in a manner that allows us to maintain profitability across the shipping cycle and thus maximize returns for our shareholders. To accomplish this objective we have historically deployed our vessels primarily on a mix of bareboat and time charters (with terms of between three months and five years) and spot charters although all of our vessels are currently on the spot market. According to our assessment of market conditions, we have adjusted the mix of these charters to take advantage of the relatively stable cash flow and high utilization rates associated with time charters or to profit from attractive spot charter rates during periods of strong charter market conditions.

The average number of vessels in our fleet for the year ended December 31, 2015 was 6.5, and for the years ended December 31, 2014 and 2013 was 7.0.

Our operations are managed by our Athens, Greece-based wholly owned subsidiary, Globus Shipmanagement Corp., our Manager, who provides in-house commercial and technical management services to our vessels and to one third-party owned ship which was previously owned by us until March 2016. Our Manager enters into a ship management agreement with each of our wholly owned vessel-owning subsidiaries to provide such services as well to the owner of the ship that it manages but is not owned by us.

Factors Affecting Our Results of Operations

We believe that the important measures for analyzing trends in our results of operations consist of the following:

- *Ownership days.* We define ownership days as the aggregate number of days in a period during which each vessel in our fleet has been owned by us. Ownership days are an indicator of the size of our fleet over a period and affect both the amount of revenues and the amount of expenses that we record during a period.
- *Available days.* We define available days as the number of our ownership days less the aggregate number of days that our vessels are off-hire due to scheduled repairs or repairs under guarantee, vessel upgrades or special surveys. The shipping industry uses available days to measure the number of days in a period during which vessels should be capable of generating revenues.
- *Operating days.* Operating days are the number of available days in a period less the aggregate number of days that the vessels are off-hire due to any reason, including unforeseen circumstances. The shipping industry uses operating days to measure the aggregate number of days in a period during which vessels generate revenues.
- *Fleet utilization.* We calculate fleet utilization by dividing the number of our operating days during a period by the number of our available days during the period. The shipping industry uses fleet utilization to measure a company’s efficiency in finding suitable employment for its vessels and minimizing the amount of days that its vessels are off-hire for reasons other than scheduled repairs or repairs under guarantee, vessel upgrades and special surveys.
- *Average number of vessels.* We measure average number of vessels by the sum of the number of days each vessel was part of our fleet during a relevant period divided by the number of calendar days in such period.
- *TCE rates.* We define TCE rates as our revenue less net revenue from our bareboat charters less voyage expenses during a period divided by the number of our available days during the period excluding bareboat charter days, which is consistent with industry standards. TCE is a non-GAAP measure. TCE rate is a standard shipping industry performance measure used primarily to compare daily earnings generated by vessels on time charters with daily earnings generated by vessels on voyage charters, because charter hire rates for vessels on voyage charters are generally not expressed in per day amounts while charter hire rates for vessels on time charters generally are expressed in such amounts.

The following table reflects our ownership days, available days, operating days, average number of vessels and fleet utilization for the periods indicated.

	Year Ended December 31,				
	2015	2014	2013	2012	2011
Ownership days	2,380	2,555	2,555	2,562	2,125
Available days	2,336	2,513	2,527	2,498	2,111
Operating days	2,252	2,500	2,486	2,471	2,083
Bareboat charter days	22	365	365	366	365
Fleet utilization	96.4%	99.5%	98.4%	98.9%	98.7%
Average number of vessels	6.5	7.0	7.0	7.0	5.8
Daily time charter equivalent (TCE) rate	\$ 4,333	\$ 7,969	\$ 9,961	\$ 10,660	\$ 15,619

We utilize TCE because we believe it is a meaningful measure to compare period-to-period changes in our performance despite changes in the mix of charter types (i.e., voyage charters, spot charters and time charters) under which our vessels may be employed between the periods. Our management also utilizes TCE to assist them in making decisions regarding employment of our vessels. We believe that our method of calculating TCE is consistent with industry standards and is determined by dividing revenue after deducting voyage expenses, and net revenue from our bareboat charters, by available days for the relevant period excluding bareboat charter days. Voyage expenses primarily consist of brokerage commissions and port, canal and fuel costs that are unique to a particular voyage, which would otherwise be paid by the charter under a time charter contract.

The following table reflects the calculation of our daily TCE rates for the periods indicated.

	Year ended December 31,				
	(Expressed in Thousands of U.S. Dollars, except number of days and daily TCE rates)				
	2015	2014	2013	2012	2011
Revenue	12,715	26,378	29,434	32,197	35,559
Less: Voyage expenses	2,384	4,254	2,892	4,450	3,283
Less: bareboat charter net revenue	304	5,006	5,006	5,020	5,006
Net revenue excluding bareboat charter net revenue	10,027	17,118	21,536	22,727	27,270
Available days net of bareboat charter days	2,314	2,148	2,162	2,132	1,746
Daily TCE rate	4,333	7,969	9,961	10,660	15,619

Lack of Historical Operating Data for Vessels Before their Acquisition

Consistent with shipping industry practice, we were not and have not been able obtain the historical operating data for the secondhand vessels we purchase, in part because that information is not material to our decision to acquire such vessels, nor do we believe such information would be helpful to potential investors in our common shares in assessing our business or profitability. We purchased our vessels under a standardized agreement commonly used in shipping practice, which, among other things, provides us with the right to inspect the vessel and the vessel’s classification society records. The standard agreement does not provide us the right to inspect, or receive copies of, the historical operating data of the vessel. Accordingly, such information was not available to us. Prior to the delivery of a purchased vessel, the seller typically removes from the vessel all records, including past financial records and accounts related to the vessel. Typically, the technical management agreement between a seller’s technical manager and the seller is automatically terminated and the vessel’s trading certificates are revoked by its flag state following a change in ownership.

In addition, and consistent with shipping industry practice, we treat the acquisition of vessels from unaffiliated third parties as the acquisition of an asset rather than a business. We believe that, under the applicable provisions of Rule 11-01(d) of Regulation S-X under the Securities Act, the acquisition of our vessels does not constitute the acquisition of a “business” for which historical or pro forma financial information would be provided pursuant to Rules 3-05 and 11-01 of Regulation S-X.

Although vessels are generally acquired free of charter, we may in the future acquire some vessels with charters. Where a vessel has been under a voyage charter, the vessel is usually delivered to the buyer free of charter. It is rare in the shipping industry for the last charterer of the vessel in the hands of the seller to continue as the first charterer of the vessel in the hands of the buyer. In most cases, when a vessel is under time charter and the buyer wishes to assume that charter, the vessel cannot be acquired without the charterer’s consent and the buyer entering into a separate direct agreement, called a novation agreement, with the charterer to assume the charter. The purchase of a vessel itself does not transfer the charter because it is a separate service agreement between the vessel owner and the charterer.

If the Company acquires a vessel subject to a time charter, it amortizes the amount of the component that is attributable to favorable or unfavorable terms relative to market terms and is included in the cost of that vessel, over the remaining term of the lease. The amortization is included in line “amortization of fair value of time charter attached to vessels” in the income statement component of the consolidated statement of comprehensive income.

If we purchase a vessel and assume or renegotiate a related time charter, we must take the following steps before the vessel will be ready to commence operations:

- obtain the charterer’s consent to us as the new owner;
- obtain the charterer’s consent to a new technical manager;
- in some cases, obtain the charterer’s consent to a new flag for the vessel;
- arrange for a new crew for the vessel, and where the vessel is on charter, in some cases, the crew must be approved by the charterer;
- replace all hired equipment on board, such as gas cylinders and communication equipment;
- negotiate and enter into new insurance contracts for the vessel through our own insurance brokers;
- register the vessel under a flag state and perform the related inspections in order to obtain new trading certificates from the flag state;
- implement a new planned maintenance program for the vessel; and
- ensure that the new technical manager obtains new certificates for compliance with the safety and vessel security regulations of the flag state.

The following discussion is intended to help you understand how acquisitions of vessels affect our business and results of operations.

Our business is comprised of the following main elements:

- employment and operation of our dry bulk vessels and management of a vessel owned by a third party; and
- management of the financial, general and administrative elements involved in the conduct of our business and ownership of our dry bulk vessels.

The employment and operation of our vessels and the vessel we manage require the following main components:

- vessel maintenance and repair;
- crew selection and training;
- vessel spares and stores supply;
- contingency response planning;
- onboard safety procedures auditing;

- accounting;
- vessel insurance arrangement;
- vessel chartering;
- vessel security training and security response plans (ISPS);
- obtaining ISM certification and audit for each vessel within the six months of taking over a vessel;
- vessel hire management;
- vessel surveying; and
- vessel performance monitoring.

The management of financial, general and administrative elements involved in the conduct of our business and ownership of our vessels requires the following main components:

- management of our financial resources, including banking relationships, i.e., administration of bank loans and bank accounts;
- management of our accounting system and records and financial reporting;
- administration of the legal and regulatory requirements affecting our business and assets; and
- management of the relationships with our service providers and customers.

The principal factors that affect our profitability, cash flows and shareholders’ return on investment include:

- rates and periods of hire;
- levels of vessel operating expenses, including repairs and drydocking;
- purchase and sale of vessels;
- management fees for any third party ships that we manage;
- depreciation expenses;
- financing costs; and
- fluctuations in foreign exchange rates.

Revenue

Overview

We generate revenues by charging our customers for the use of our vessels to transport their dry bulk commodities. We also currently generate revenues by managing one vessel that we don’t own under a ship management agreement. Under a time charter, the charterer pays us a fixed daily charter hire rate and bears all voyage expenses, including the cost of bunkers (fuel oil) and port and canal charges. We remain responsible for paying the chartered vessel’s operating expenses, including the cost of crewing, insuring, repairing and maintaining the vessel, the costs of spares and consumable stores, tonnage taxes and other miscellaneous expenses. Under a bareboat charter, the charterer pays us a fixed daily charter hire rate and bears all voyage expenses, as well as the vessel’s operating expenses.

Spot charters can be spot voyage charters or spot time charters. Spot voyage charters involve the carriage of a specific amount and type of cargo on a load-port to discharge-port basis, subject to various cargo handling terms, and the vessel owner is paid on a per-ton basis. Under a spot voyage charter, the vessel owner is responsible for the payment of all expenses including capital costs, voyage and expenses, such as port, canal and bunker costs. A spot time charter is a contract to charter a vessel for an agreed period of time at a set daily rate. Under spot time charters, the charterer pays the voyage expenses.

Revenues

Our revenues are driven primarily by the number of vessels in our fleet, the number of days during which our vessels operate and the amount of daily hire rates that our vessels earn under charters or on the spot market, which, in turn, are affected by a number of factors, including:

- the duration of our charters;
- the number of days our vessels are hired to operate on the spot market;
- our decisions relating to vessel acquisitions and disposals;
- the amount of time that we spend positioning our vessels for employment;
- the amount of time that our vessels spend in drydocking undergoing repairs;
- maintenance and upgrade work;
- the age, condition and specifications of our vessels;
- levels of supply and demand in the dry bulk shipping industry; and
- other factors affecting spot market charter rates for dry bulk vessels.

Our revenues in 2015, 2014 and 2013 decreased when compared to their respective prior year, mainly due to lower daily time charter and spot rates earned on average from our vessels on a year over year basis. We did not manage any vessels in 2015, 2014, or 2013, and therefore such is not discussed or analyzed in this section.

Employment of our Vessels

As of April 22, 2016, we employed our vessels as follows:

- *m/v Star Globe* – on a time charter with Cam Shipping Pte Ltd., that began in April 2016 and is expected to expire in May 2015, at the gross rate of \$4,750 per day.
- *m/v River Globe* – on a time charter with Korea Line Corporation, Seoul, Korea, that began in March 2016 and is expected to expire in May 2016, at the gross rate of \$4,500 per day.
- *m/v Sky Globe* – currently seeking employment.
- *m/v Moon Globe* – on a time charter with Windrose SDS Shipping & Trading S.A., that began in February 2016 and is expected to expire in May 2016, at the gross rate of \$4,250 per day.
- *m/v Sun Globe* – on a time charter with Jaldhi, that began in March 2016 and is expected to expire in May 2016, at the gross rate of \$5,000 per day.

Our charter agreements subject us to counterparty risk. In depressed market conditions, charterers may seek to renegotiate the terms of their existing charter parties or avoid their obligations under those contracts. Should counterparties to one or more of our charters fail to honor their obligations under their agreements with us, we could sustain significant losses which could have a material adverse effect on our business, financial condition, results of operations, cash flows and ability to pay dividends.

Voyage Expenses

We charter our vessels primarily through time charters under which the charterer is responsible for most voyage expenses, such as the cost of bunkers (fuel oil), port expenses, agents’ fees, canal dues, extra war risks insurance and any other expenses related to the cargo.

Whenever we employ our vessels on a voyage basis (such as trips for the purpose of geographically repositioning a vessel or trip(s) after the end of one time charter and up to the beginning of the next time charter), we incur voyage expenses that include port expenses and canal charges and bunker (fuel oil) expenses.

If we charter our vessels on bareboat charters, the charterer will pay for most of the voyage expenses.

As is common in the shipping industry, we have historically paid commissions ranging from 0% to 6.25% of the total daily charter hire rate of each charter to unaffiliated ship brokers and in-house brokers associated with the charterers, depending on the number of brokers involved with arranging the charter.

For the year ended December 31, 2015 commissions amounted to \$0.7 million. For the years ended December 31, 2014 and 2013, commissions amounted to \$1.3 million each year, respectively.

We believe that the amounts and the structures of our commissions are consistent with industry practices.

These commissions are directly related to our revenues. We therefore expect that the amount of total commissions will increase if the size of our fleet grows as a result of additional vessel acquisitions and employment of those vessels.

Net Revenue

We calculate our net revenue by subtracting our voyage expenses from our revenues. Net revenue is not a recognized measurement under IFRS and should not be considered as an alternative or comparable to net income.

Vessel Operating Expenses

Vessel operating expenses include costs for crewing, insurance, repairs and maintenance, lubricants, spare parts and consumable stores, statutory and classification tonnage taxes and other miscellaneous expenses. We calculate daily vessel operating expenses by dividing vessel operating expenses by ownership days for the relevant time period excluding bareboat charter days.

Our vessel operating expenses have historically fluctuated as a result of changes in the size of our fleet. In addition, a portion of our vessel operating expenses is in currencies other than the U.S. dollar, such as costs related to repairs, spare parts and consumables. These expenses may increase or decrease as a result of fluctuation of the U.S. dollar against these currencies.

We expect that crewing costs will increase in the future due to the shortage in the supply of qualified sea-going personnel. In addition, we expect that maintenance costs will increase as our vessels age. Other factors that may affect the shipping industry in general, such as the cost of insurance, may also cause our expenses to increase. To the extent that we purchase additional vessels, we expect our vessel operating expenses to increase accordingly.

Depreciation

The cost of each of the Company’s vessels is depreciated on a straight-line basis over each vessel’s remaining useful economic life, after considering the estimated residual value of each vessel, beginning when the vessel is ready for its intended use. Management estimates that the useful life of new vessels is 25 years, which is consistent with industry practice. The residual value of a vessel is the product of its lightweight tonnage and estimated scrap value per lightweight ton. The residual values and useful lives are reviewed at each reporting date and adjusted prospectively, if appropriate. During the fourth quarter of 2015 we reduced the scrap rate from \$335/ton to \$240/ton due to the reduced scrap rates worldwide. This resulted to an extra depreciation expense of \$91,000 included in the consolidated statement of comprehensive loss/income for 2015.

We do not expect these assumptions to change significantly in the near future. We expect that these charges will increase if we acquire additional vessels.

Depreciation of Drydocking Costs

Vessels are required to be drydocked for major repairs and maintenance that cannot be performed while the vessels are operating. Drydockings occur approximately every 2.5 years. The costs associated with the drydockings are capitalized and depreciated on a straight-line basis over the period between drydockings, to a maximum of 2.5 years. At the date of acquisition of a vessel, we estimate the component of the cost that corresponds to the economic benefit to be derived until the first scheduled drydocking of the vessel under our ownership and this component is depreciated on a straight-line basis over the remaining period through the estimated drydocking date. We expect that drydocking costs will increase as our vessels age and if we acquire additional vessels.

Amortization of Fair Value of Time Charter Attached to Vessels

If the Company acquires a vessel subject to a time charter, it amortizes the amount of the component that is attributable to favorable or unfavorable terms relative to market terms and is included in the cost of that vessel, over the remaining term of the lease. The amortization is included in line “amortization of fair value of time charter attached to vessels” in the income statement component of the consolidated statement of comprehensive income.

Administrative Expenses

Our administrative expenses include payroll expenses, traveling, promotional and other expenses associated with us being a public company, which include the preparation of disclosure documents, legal and accounting costs, director and officer liability insurance costs and costs related to compliance. We expect that our administrative expenses will increase as we enlarge our fleet.

Administrative Expenses Payable to Related Parties

Our administrative expenses payable to related parties include cash remuneration of our executive officers and directors and rental of our office space.

Share Based Payments

We operate an equity-settled, share based compensation plan. The value of the service received in exchange of the grant of shares is recognized as an expense. The total amount to be expensed over the vesting period, if any, is determined by reference to the fair value of the share awards at the grant date. The relevant expense is recognized in the income statement component of the consolidated statement of comprehensive income, with a corresponding impact in equity.

Impairment Loss

We assess at each reporting date whether there is an indication that a vessel that we own may be impaired. The vessel’s recoverable amount is estimated when events or changes in circumstances indicate the carrying value may not be recoverable. If such indication exists and where the carrying value exceeds the estimated recoverable amounts, the vessel is written down to its recoverable amount. The recoverable amount is the greater of fair value less costs to sell and value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the vessel. Impairment losses are recognized in the consolidated statement of comprehensive income. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset’s recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the consolidated statement of comprehensive income. After such a reversal, the depreciation charge is adjusted in future periods to allocate the asset’s revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

Gain/ (Loss) on Sale of Vessels

Gain or loss on the sale of vessels is the residual value remaining after deducting from the vessels’ sale proceeds, the carrying value of the vessels at the respective date of delivery to their new owners and the total expenses associated with the sale.

Other (Expenses)/Income, Net

We include other operating expenses or income that is not classified otherwise. It mainly consists of provisions for insurance claims deductibles and refunds from insurance claims.

Interest Income from Bank Balances & Bank Deposits

We earn interest on the funds we have deposited with banks as well as from short-term certificates of deposit.

Interest Expense and Finance Costs

We incur interest expense and financing costs in connection with the indebtedness under our credit arrangements, including our Credit Facility, the Kelty Loan Agreement, the DVB Loan Agreement, the HSH Loan Agreement, the Firment Credit Facility and the Silaner Credit Facility that we entered into in January 2016. We also incurred financing costs in connection with establishing those arrangements, which is included in our finance costs and amortization and write-off of deferred finance charges. As of December 31, 2015, 2014 and 2013, we had \$78.6 million, \$84.6 million and \$91.5 million of indebtedness outstanding under our then existing credit arrangements, respectively. We incurred interest expense and financing costs relating to our outstanding debt as well as our available but undrawn Credit Facility, if any. We will incur additional interest expense in the future on our outstanding borrowings and under future borrowings to finance future acquisitions. Please see “Item 5.B. Liquidity and Capital Resources—Indebtedness” for further information.

Gain/ (Loss) on Derivative Financial Instruments

We may enter into derivative financial instruments, which mainly consist of interest rate SWAP agreements. Derivative financial instruments are initially recognized at fair value on the date a derivative contract is entered into and are subsequently remeasured at fair value. Changes in the fair value of these derivative instruments are recognized immediately in the income statement component of the consolidated statement of comprehensive income.

Foreign Exchange Gains/ (Losses), Net

We generate substantially all of our revenues from the trading of our vessels in U.S. dollars but incur a portion of our expenses in currencies other than the U.S. dollar. We convert U.S. dollars into foreign currencies to pay for our non-U.S. dollar expenses, which we then hold on deposit until the date of each transaction. Fluctuations in foreign exchange rates create foreign exchange gains or losses when we mark-to-market these non-U.S. dollar deposits. Because a portion of our expenses is payable in currencies other than the U.S. dollar, our expenses may from time to time increase relative to our revenues as a result of fluctuations in exchange rates, which could affect the amount of net income that we report in future periods.

Results of Operations

The following is a discussion of our operating results for the year ended December 31, 2015 compared to the year ended December 31, 2014 and for the year ended December 31, 2014 compared to the year ended December 31, 2013. Variances are calculated on the numbers presented in the discussion over operating results.

Year ended December 31, 2015 compared to the year ended December 31, 2014

As of December 31, 2015, our fleet consisted of six dry bulk vessels (four Supramaxes, one Panamax and one Kamsarmax) with an aggregate carrying capacity of 379,958 dwt, while as of December 31, 2014 our fleet consisted of seven dry bulk vessels (four Supramaxes, two Panamax and one Kamsarmax) with an aggregate carrying capacity of 452,886 dwt. During the years ended December 31, 2015 and 2014 we had an average of 6.5 and 7.0 dry bulk vessels in our fleet, respectively.

During the year ended December 31, 2015, we achieved an operating loss of \$29.7 million including an impairment loss from sale of vessel “*Tiara Globe*” of \$7.7 million and impairment loss of vessel “*Energy Globe*” of \$12.4 million, while during the year ended December 31, 2014, we achieved an operating profit of \$5.2 million including a non-cash impairment gain from impairment reversal of \$2.2 million.

Revenue. Revenue decreased by \$13.7 million, or 52%, to \$12.7 million in 2015, compared to \$26.4 million in 2014 due to the unfavorable average shipping rates achieved by our vessels during 2015 compared to 2014. Net revenues (Revenues minus Voyage expenses) decreased by \$11.8 million, or 53%, to \$10.3 million in 2015, from \$22.1 million in 2014. The decrease is primarily attributable to a decrease in average TCE rates due to unfavorable shipping rates. In 2015, we had total operating days of 2,252 and fleet utilization of 96.4%, compared to 2,500 operating days and a fleet utilization of 99.5% in 2014. We also had 2,380 ownership days in 2015 compared to 2,555 in 2014 due to the sale of *m/v Tiara Globe* in July 2015.

Voyage expenses. Voyage expenses decreased by \$1.9 million, or 44%, to \$2.4 million in 2015, compared to \$4.3 million in 2014. The decrease is attributed to the decrease in bunkers expenses incurred during periods that our vessels were seeking employment by \$1.2 million, or 44%, to \$1.5 million in 2015, compared to \$2.7 million in 2014.

Vessel operating expenses. Vessel operating expenses increased by \$0.6 million, or 6%, to \$10.3 million in 2015, compared to \$9.7 million in 2014. The breakdown of our operating expenses for the year 2015 was as follows:

Crew expenses	57%
Repairs and spares	16%
Insurance	9%
Stores	9%
Lubricants	5%
Other	4%

Daily vessel operating expenses were \$4,377 in 2015 compared to \$4,432 in 2014, representing a decrease of 1% due to our continued efforts towards cost efficiency.

Depreciation. Depreciation increased by \$0.5 million, or 8%, to \$6.1 million in 2015, compared to \$5.6 million in 2014 although the average number of vessels reduced due to the sale of *m/v Tiara Globe* in July 2015. This is attributed to the change of the scrap rate from \$335/ton to \$240/ton during the fourth quarter of 2015 due to the reduced scrap rates worldwide.

Amortization of fair value of time charter attached to vessels. Amortization of fair value of time charter attached to vessels during the years ended December 31, 2015 and 2014 were \$41,000 and \$746,000, respectively. Amortization refers to the fair value of above market time charters attached to the vessels *m/v Moon Globe* and *m/v Sun Globe* acquired during the second half of 2011, which is amortized on a straight line basis over the remaining period of the time charters. The time charter attached to *m/v Moon Globe* expired in June 2013. The time charter attached to the *m/v Sun Globe* expired in January 2015.

Administrative expenses payable to related parties. Administrative expenses payable to related parties decreased by \$57,000, or 11%, to \$465,000 in 2015 compared to \$522,000 in 2014. Administrative expenses decreased due to changes in the Euro/U.S. dollar exchange rate relating to payments for our rent, directors and officers.

Administrative expenses. Administrative expenses decreased by \$0.1 million, or 5% to \$1.8 million in 2015 from \$1.9 million in 2014 mainly due to the efforts of the Company to reduce its expenditures in this area.

Share-based payments. Share-based payments remained the same during both 2015 and 2014, which was \$60,000.

(Impairment loss)/Reversal of impairment. During the year ended December 31, 2015, we recognized an impairment loss of \$20.1 million; \$7.7 million was attributed to the sale of *m/v Tiara Globe* and \$12.4 million was recorded for *m/v Energy Globe*, as we concluded that the recoverable amount of the vessel was lower than its carrying amount. During the year ended December 31, 2014, we recognized an impairment reversal of \$2.2 million with reference to the vessel *m/v Tiara Globe*. As of December 31, 2014, the Company decided that the vessel no longer met the criteria to be classified as held for sale and was subsequently measured at its recoverable amount at that date of \$13.6 million resulting in an impairment reversal of \$2.2 million.

Interest expense and finance costs. Interest expense increased by \$0.7 million, or 33.3%, to \$2.8 million in 2015, compared to \$2.1 million in 2014. Our weighted average interest rate for 2015 was 3.05% compared to 2.22% during 2014. Total borrowings outstanding as of December 31, 2015 amounted to \$78.6 million compared to \$84.6 million as of December 31, 2014. The increase in interest expense is attributed to the increase of the weighted average interest rate for the year ended December 31, 2015, which was 3.05%, compared to the weighted average interest rate for the year ended December 31, 2014, which was 2.22%. All of our credit and loan facilities are denominated in U.S. dollars.

Year ended December 31, 2014 compared to the year ended December 31, 2013

As of December 31, 2014 and 2013, our fleet consisted of seven dry bulk vessels (four Supramaxes, two Panamax and one Kamsarmax) with an aggregate carrying capacity of 452,886 dwt. During the years ended December 31, 2014 and 2013 we had an average of 7.0 dry bulk vessels in our fleet.

During 2014, we achieved an operating profit of \$5.2 million including a non-cash impairment gain from impairment reversal of \$2.2 million, while during 2013, we achieved an operating profit of \$8.5 million including a non-cash impairment gain from impairment reversal of \$1.7 million.

Revenue. Revenue decreased by \$3.0 million, or 10%, to \$26.4 million in 2014, compared to \$29.4 million in 2013 due to the unfavorable average shipping rates achieved by our vessels during 2014 compared to 2013. Net revenues (Revenues minus Voyage expenses) decreased by \$4.4 million, or 17%, to \$22.1 million in 2014, from \$26.5 million in 2013. The decrease is primarily attributable to a decrease in average TCE rates due to unfavorable shipping rates which effectively reduced our net revenues by approximately \$4.3 million, assuming all other variables were held constant. TCE rates decreased due to the unfavorable average shipping rates achieved by our vessels and to an increase in our voyage expenses incurred during periods that our vessels were seeking employment. Revenue was further decreased by \$0.1 million due to 1% decrease in our available days assuming all other variables were held constant. In 2014, we had total operating days of 2,500 and fleet utilization of 99.5%, compared to 2,486 operating days and a fleet utilization of 98.4% in 2013.

Voyage expenses. Voyage expenses increased by \$1.4 million, or 48%, to \$4.3 million in 2014, compared to \$2.9 million in 2013. The increase is attributed to the increase in bunkers expenses incurred during periods that our vessels were seeking employment by \$1.3 million, or 93%, to \$2.7 million in 2014, compared to \$1.4 million in 2013.

Vessel operating expenses. Vessel operating expenses decreased by \$0.3 million, or 3%, to \$9.7 million in 2014, compared to \$10.0 million in 2013 due to our continued efforts towards operational efficiency. The breakdown of our operating expenses for the year 2014 was as follows:

Crew expenses	56%
Repairs and spares	15%
Insurance	10%
Stores	10%
Lubricants	6%
Other	3%

Daily vessel operating expenses were \$4,432 in 2014 compared to \$4,580 in 2013, representing a decrease of 3% due to our continued efforts towards cost efficiency.

Depreciation. Depreciation remained the same during both 2014 and 2013, which was \$5.6 million.

Amortization of fair value of time charter attached to vessels. Amortization of fair value of time charter attached to vessels during the years ended December 31, 2014 and 2013 were \$0.7 and \$1.3 million, respectively. Amortization refers to the fair value of above market time charters attached to the vessels *m/v Moon Globe* and *m/v Sun Globe* acquired during the second half of 2011, which is amortized on a straight line basis over the remaining period of the time charters. The time charter attached to *m/v Moon Globe* expired in June 2013.

Administrative expenses payable to related parties. Administrative expenses payable to related parties decreased by \$0.1 million, or 17%, to \$0.5 million in 2014 compared to \$0.6 million in 2013, mainly due to the departure of our Chief Financial Officer in January 2013 when his severance pay incurred.

Administrative expenses. Administrative expenses decreased by \$0.2 million, or 10% to \$1.9 million in 2014 from \$2.1 million in 2013 mainly due to a decrease in legal fees incurred during 2014 compared to 2013.

Share based payments. Share based payments decreased by \$0.2 million in 2014 compared to 2013. During the year ended December 31, 2013, the Company revised its estimate on the number of shares that were to be awarded at the end of the award period at December 31, 2014, with reference to the long time incentive plan, based on the non-market and service vesting conditions of the award. As of December 31, 2013 we reversed \$0.2 million corresponding to the expense that had accrued since February 22, 2012, the grant date of the award.

Reversal of impairment /(impairment loss). During the year ended December 31, 2014 we recognized an impairment reversal of \$2.2 million with reference to the vessel *m/v Tiara Globe*. As of December 31, 2014 the Company decided that the vessel no longer met the criteria to be classified as held for sale and was subsequently measured at its recoverable amount at that date of \$13.6 million resulting in an impairment reversal of \$2.2 million. As of December 31, 2013, *m/v Tiara Globe*, classified as held for sale, was re-measured at fair value of \$11.8 million, less estimated cost to sell of \$0.4 million, less deferred drydocking costs of \$0.8 million, which resulted in a gain of \$1.7 million when compared to the fair value less costs to sell as of December 31, 2012.

Interest expense and finance costs. Interest expense decreased by \$1.5 million, or 42%, to \$2.1 million in 2014, compared to \$3.6 million in 2013 mainly due to the termination of both our five year swap agreements during November 2013. Our weighted average interest rate for 2014 was 2.22% compared to 3.14% during 2013 including the effect from our interest rate swap agreements in effect at that time or 2.54% excluding the effect from our interest rate swap agreements. Total borrowings outstanding as of December 31, 2014 amounted to \$84.6 million compared to \$91.5 million as of December 31, 2013. All of our credit and loan facilities are denominated in U.S. dollars.

Gain/(loss) on derivative financial instruments. Both our interest rate swap agreements, which were fixed at unfavourable terms compared to the market, reached their maturity during November 2013.

Inflation

Inflation has only a moderate effect on our expenses given current economic conditions. In the event that significant global inflationary pressures appear, these pressures would increase our operating, voyage, administrative and financing costs.

Critical Accounting Policies

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

Critical accounting policies are those that reflect significant judgments of uncertainties and potentially result in material different results under different assumptions and conditions. We have described below what we believe are our most critical accounting policies, because they generally involve a comparatively higher degree of judgment in their application. For a description of all our significant accounting policies, see Note 2 to our consolidated financial statements included in this annual report on Form 20-F.

Our ability to continue as a going concern

When assessing our ability to continue as a going concern, our management must make judgments and estimates about various aspects of our business, including the following:

- plans to raise new funds, restructure our debt and reorganize our capital structure;
- the timing and amount of cash flows from operating activities;

- the marketability of assets to be disposed of and the timing and amount of related cash proceeds to be used to repay our indebtedness;
- plans to reduce and delay our expenditures;
- our ability to comply with the various debt covenants; and
- the present and future regulatory, business, credit and competitive environment in which we operate.

These factors individually and collectively will have a significant effect on our financial condition and results of operations and on our ability to generate sufficient cash to repay our indebtedness as it becomes due. We plan to attempt to raise additional capital by selling securities through one or more private placement or public offerings, which may include a rights offering, or by borrowing additional funds. All of our vessels are pledged as collateral to a bank, and therefore if we were to sell one or more vessels, the net proceeds of such sale would be used first to repay the outstanding debt to which the vessel is collateralized with, and the remainder, if any, would be for our use, subject to the terms of our remaining loan and credit arrangements. However, the doubts raised relating to our ability to continue as a going concern may make our securities an unattractive investment for potential investors.

Impairment of Long-Lived Assets: We assess at each reporting date whether there is an indication that a vessel may be impaired. The vessel’s recoverable amount is estimated when events or changes in circumstances indicate the carrying value may not be recoverable.

If such indication exists and where the carrying value exceeds the estimated recoverable amounts, the vessel is written down to its recoverable amount. The recoverable amount is the greater of fair value less costs to sell and value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the vessel. This assessment is made at the individual vessel level as separately identifiable cash flow information for each vessel is available. We determine the fair value of our assets based on management estimates and assumptions and by making use of available market data and taking into consideration third party valuations.

Discounted future cash flows for each vessel were determined and compared to the vessel’s carrying value. The projected net discounted future cash flows for the first three years were determined by considering an estimate daily time charter equivalent based on the most recent blended (for modern and older vessels) one-year time charter rate available for each type of vessel. For the remaining useful life of the vessels the Company used the historical ten-year blended average one-year time charter rates substituting for the years 2007 and 2008 that were considered as extreme values, with the years 2004 and 2005. The rates were adjusted assuming an annual growth rate as published by the International Monetary Fund, net of commissions. Expected outflows for scheduled vessels maintenance were taken into consideration as well as vessel operating expenses assuming an average annual inflation rate of approximately 4%. The average time charter rates used were in line with the overall chartering strategy, especially in periods/years of depressed charter rates; reflecting the full operating history of vessels of the same type and particulars with the Company’s operating fleet (Supramax and Panamax vessels with deadweight tonnage (“dwt”) of over 50,000 and 70,000, respectively) and they covered at least one full business cycle. The average annual inflation rate applied on vessels’ maintenance and operating costs approximated current projections for global inflation rate for the remaining useful life of the Company’s vessels. Effective fleet utilization was assumed at 90% (including ballast days), taking into account the period(s) each vessel is expected to undergo her scheduled maintenance (drydocking and special surveys), as well as an estimate of the period(s) needed for finding suitable employment and off-hire for reasons other than scheduled maintenance, assumptions in line with the Company’s expectations for future fleet utilization under the current fleet deployment strategy.

Impairment losses are recognized in the consolidated statement of comprehensive income. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset’s recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the consolidated statement of comprehensive income. After such a reversal, the depreciation charge is adjusted in future periods to allocate the asset’s revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

During the year ended December 31, 2015, we recognized an impairment loss of \$7.7 million due to the sale of *m/v Tiara Globe* and an impairment loss of \$12.4 million for *m/v Energy Globe* as we concluded that the recoverable amount of the vessel was lower than its carrying amount.

During the year ended December 31, 2014, we recognized an impairment reversal of \$2.2 million with reference to *m/v Tiara Globe*. As of December 31, 2014, the Company decided that such vessel no longer met the criteria to be classified as held for sale and was subsequently measured at its recoverable amount at that date of \$13.6 million resulting in an impairment reversal of \$2.2 million. As of December 31, 2014, no impairment loss was recognized as our vessels’ recoverable amounts, excluding *m/v Tiara Globe*, exceeded their carrying amounts.

During the year ended December 31, 2013, we recognized a gain from an impairment reversal of \$1.7 million. As of December 31, 2013, *m/v Tiara Globe*, classified as held for sale, was re-measured at fair value of \$11.8 million, less estimated cost to sell of \$0.4 million, less deferred drydocking costs incurred of \$0.8 million, which resulted in a gain of \$1.7 million when compared to the fair value less cost to sell as of December 31, 2012. As of December 31, 2013, no impairment loss was recognized as our vessels’ recoverable amounts, excluding *m/v Tiara Globe*, exceeded their carrying amounts.

Although we believe that the assumptions used to evaluate impairment are reasonable and appropriate, these assumptions are highly subjective and we are not able to estimate the variability between the assumptions used and actual results that is reasonably likely to result in the future.

As of December 31, 2015, we owned and operated a fleet of six vessels, with an aggregate carrying value of \$110.1 million. The carrying value of each of our vessels does not necessarily represent its fair market value or the amount that could be obtained if the vessel were sold. Our estimates of the market values assume that the vessels are in good and seaworthy condition without need for repair and, if inspected, would be certified as being in class without any recommendations of any kind. Because vessel values are highly volatile, these estimates may not be indicative of either current or future prices that we could achieve if we were to sell any of the vessels. As our impairment test (as described in “—*Impairment of Long-Lived Assets*”) showed that the recoverable amount of *m/v Energy Globe* was lower than its carrying amount we recognized an impairment loss of \$12.4 million. As of December 31, 2014, we believe that for all our vessels the basic charter-free market value less estimated costs to sell was lower than the vessel’s carrying value by approximately \$30.9 million in the aggregate, however we did not proceed with the recording of an impairment as our impairment test showed that the vessels’ recoverable amounts exceeded their carrying amounts.

A vessel-by-vessel carrying value summary as of December 31, 2015 and 2014 follows:

Dry bulk Vessels	Dwt	Year Built	Month and Year of Acquisition	Purchase Price (in millions of U.S. Dollars)	Carrying Value as of December 31, 2015 (in millions of U.S. Dollars)	Carrying Value as of December 31, 2014 (in millions of U.S. Dollars)
<i>m/v River Globe</i>	53,627	2007	December 2007	57.5	18.6	18.9
<i>m/v Sky Globe</i>	56,855	2009	May 2010	32.8	20.6	21.7
<i>m/v Star Globe</i>	56,867	2010	May 2010	32.8	20.1	20.7
<i>m/v Sun Globe</i>	58,790	2007	September 2011	30.3	20.0	21.1
<i>m/v Tiara Globe(1)</i>	72,928	1998	December 2007	66.8	-	13.6
<i>m/v Moon Globe</i>	74,432	2005	June 2011	31.4	17.9	19.1
<i>m/v Energy Globe (ex Jin Star)</i>	79,387	2010	June 2010	41.1	12.9	26.6
					110.1	141.7

(1) *m/v Tiara Globe* was sold in July 2015.

Vessels, net: Vessels are stated at cost, less accumulated depreciation (including depreciation of drydocking costs and component attributable to favorable or unfavorable lease terms relative to market terms) and accumulated impairment losses. Vessel cost consists of the contract price for the vessel and any material expenses incurred upon acquisition (initial repairs, improvements and delivery expenses, interest and on-site supervision costs incurred during the construction periods). Any seller’s credit, which is the amounts received from the seller of the vessels until date of delivery, is deducted from the cost of the vessel. Subsequent expenditures for conversions and major improvements are also capitalized when the recognition criteria are met. Otherwise, these amounts are charged to expenses as incurred.

Vessels Depreciation: The cost of each of the Company’s vessels is depreciated on a straight-line basis over each vessel’s remaining useful economic life, after considering the estimated residual value of each vessel, beginning when the vessel is ready for its intended use. Management estimates that the useful life of new vessels is 25 years, which is consistent with industry practice. The residual value of a vessel is the product of its lightweight tonnage and estimated scrap value per lightweight ton. The residual values and useful lives are reviewed at each reporting date and adjusted prospectively, if appropriate. Depreciation is based on the cost of the vessel less its estimated residual value. Secondhand vessels are depreciated from the date of their acquisition through their remaining estimated useful lives. A decrease in the useful life of a vessel or in its residual value would have the effect of increasing the annual depreciation charge. When regulations place limitations over the ability of a vessel to trade on a worldwide basis, its useful life is adjusted to end at the date such regulations become effective. During the fourth quarter of 2015 we reduced the scrap rate from \$335/ton to \$240/ton due to the reduced scrap rates worldwide. This resulted to an extra depreciation expense of \$91,000 included in the consolidated statement of comprehensive loss/income for 2015.

Drydocking costs: Vessels are required to be drydocked for major repairs and maintenance that cannot be performed while the vessels are operating. Drydockings occur approximately every 2.5 years. The costs associated with the drydockings are capitalized and depreciated on a straight-line basis over the period between drydockings, to a maximum of 2.5 years. At the date of acquisition of a vessel, management estimates the component of the cost that corresponds to the economic benefit to be derived until the first scheduled drydocking of the vessel under our ownership and this component is depreciated on a straight-line basis over the remaining period through the estimated drydocking date. Costs capitalized are limited to actual costs incurred, such as shipyard rent, paints and related works and surveyor fees in relation to obtaining the class certification. If a drydocking is performed prior to the scheduled date, the remaining unamortized balances of previous drydockings are immediately written off. Unamortized balances of vessels that are sold are written off and included in the calculation of the resulting gain or loss in the period of the vessel’s sale.

Amortization of lease component: When we acquire a vessel subject to a time charter, we amortize the amount of the component attributable to the favorable or unfavorable terms of the time charter relative to market terms which is included in the cost of that vessel, over the remaining term of the time charter.

Non-current assets held for sale: Non-current assets and disposal groups classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell. We determine the fair value of our assets based on management estimates and assumptions and by making use of available market data and taking into consideration third party valuations. If the carrying amount exceeds fair value less costs to sell, we recognize a loss under impairment loss in the income statement component of the consolidated statement of comprehensive income. Non-current assets and disposal groups are classified as held for sale if their carrying amounts will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a complete sale within one year from the date of classification. Events or circumstances may extend the period to complete the sale beyond one year. An extension of the period required to complete a sale does not preclude an asset from being classified as held for sale if the delay is caused by events or circumstances beyond the entity’s control and there is sufficient evidence that the entity remains committed to its plan to sell the asset. Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortized. If the Company has classified an asset as held for sale but the criteria discussed above are no longer met, the Company ceases to classify the asset as held for sale. The Company measures a non-current asset that ceases to be classified as held for sale at the lower of (1) its carrying amount before the asset was classified as held for sale, adjusted for any depreciation, amortization or revaluation that would have been recognised had the asset not been classified as held for sale and (2) its recoverable amount at the date of the subsequent decision to cease classifying the asset as held for sale.

Revenue: We typically generate our revenues from charterers for the charter hire of our vessels. Vessels are chartered using time charters, where a contract is entered into for the use of a vessel for a specific period of time and a specified daily charter hire rate. If a time charter agreement exists and collection of the related revenue is reasonably assured, revenue is recognized on a straight line basis over the period of the time charter. Such revenues are treated in accordance with IAS 17 as lease income. Associated voyage expenses, which primarily consist of commissions, are recognized on a pro rata basis over the duration of the period of the time charter. Deferred revenue relates to cash received prior to the financial position date and is related to revenue earned after such date. In 2016 certain revenues will be derived from managing a third party vessel.

Voyage expense: Consisting primarily of port expenses and owner’s expenses paid by the charterer, canal and bunker expenses that are unique to a particular charter under time charter arrangements or by us under voyage charter arrangements. Furthermore, voyage expenses include commission on revenue paid by us.

Trade receivables, net: The amount shown as trade receivables at each financial position date includes estimated recoveries from charterers for hire, freight and demurrage billings, net of an allowance for doubtful accounts. Trade receivables are measured at amortized cost less impairment losses, which are recognized in the consolidated statement of comprehensive income. At each financial position date, all potentially uncollectible accounts are assessed individually for the purpose of determining the appropriate allowance for doubtful accounts. Although we may believe that our provisions are based on fair judgment at the time of their creation, it is possible that an amount under dispute will not be recovered and the estimated provision of doubtful accounts would be inadequate. If any of our revenues become uncollectible, these amounts would be written-off at that time.

Derivative financial instruments: Derivative financial instruments are initially recognized at fair value on the date a derivative contract is entered into and are subsequently remeasured at fair value. The fair value of these instruments at each reporting date is derived principally from or corroborated by observable market data. Inputs include quoted prices for similar assets, liabilities (risk adjusted) and market-corroborated inputs, such as market comparables, interest rates, yield curves and other items that allow value to be determined. Changes in the fair value of these derivative instruments are recognized immediately in the income statement component of the consolidated statement of comprehensive income.

Share based payments: The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions may require determination of the most appropriate valuation model, which is depended on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including, expected volatility and dividend yield and making assumptions about them.

B. Liquidity and Capital Resources

As of December 31, 2015, we had \$2.0 million of “cash and cash equivalents” that consisted of \$0.25 million cash on hand and cash at banks and \$1.75 million in bank deposits. In addition we had an amount of \$5.4 million available to be drawn under the Firment Credit Facility.

As of December 31, 2015, we had an aggregate debt outstanding of \$78.6 million, which included \$27.3 million from HSH Facility, \$15.7 million from the Kelty Loan Agreement, \$21.0 million from the DVB Loan Agreement and \$14.6 million from the Firment Credit Facility issued for the purpose of financing our general working capital needs.

As of December 31, 2014, we had \$5.1 million of “cash and cash equivalents” that consisted of \$4.0 million cash on hand and cash at banks and \$1.1 million in bank deposits. In addition we had an amount of \$0.5 million available to be drawn under the Firment Credit Facility.

As of December 31, 2014, we had an aggregate debt outstanding of \$84.6 million, which included \$35.0 million from our Credit Facility, \$17.6 million from the Kelty Loan Agreement, \$24.5 million from the DVB Loan Agreement and \$7.5 million from the Firment Credit Facility issued for the purpose of financing our general working capital needs.

Please see “Item 5.B. Liquidity and Capital Resources—Indebtedness” for further information about our loan agreements and credit facilities.

Our primary uses of funds have been capital expenditures for the acquisition of vessels, vessel operating expenses, general and administrative expenses, expenditures incurred in connection with ensuring that our vessels comply with international and regulatory standards, financing expenses and repayments of bank loans and payments of dividends to our shareholders. We do not have any commitments for newbuilding contracts.

Since our operations began in 2006, we have financed our capital requirements mainly through equity subscriptions from shareholders, long-term bank debt and cash from operations, including cash from sales of vessels. To finance further vessel acquisitions of either new or secondhand vessels, we anticipate that our primary sources of funds will be our current cash, cash from continuing operations, additional indebtedness to be raised and, possibly, future equity or debt financings.

Working capital, which is current assets, minus current liabilities, including the current portion of long-term debt and non-current assets and associated liabilities classified as held for sale, amounted to a working capital deficit of \$64.9 million as of December 31, 2015 and to a working capital deficit of \$38.2 million as of December 31, 2014. If we are unable to satisfy our liquidity requirements, we may not be able to continue as a going concern. We plan to attempt to raise additional capital by selling securities through one or more private placement or public offerings, which may include a rights offering, or by borrowing additional funds. All of our vessels are pledged as collateral to a bank, and therefore if we were to sell one or more vessels, the net proceeds of such sale would be used first to repay the outstanding debt to which the vessel collateralized, and the remainder, if any, would be for our use, subject to the terms of our remaining loan and credit arrangements. However, the doubts raised relating to our ability to continue as a going concern may make our securities an unattractive investment for potential investors.

Current liabilities as of December 31, 2015, include the total amount outstanding of \$27.3 million with respect to the HSH Loan Agreement with HSH Nordbank AG, the total amount outstanding of \$15.65 million with respect to the Kelty Loan Agreement with Commerzbank and the total amount of \$21.0 million with respect to the DVB Loan Agreement with DVB Bank SE.

In December 2013, we entered into a credit facility for up to \$4.0 million with Firment Trading Limited, a company related to us through common control, for the purpose of financing its general working capital needs. During December 2014, the credit limit of the facility increased from \$4.0 to \$8.0 million. During December 2015, the credit limit of the facility increased from \$8.0 to \$20.0 million. In December 2015, the Firment Credit Facility was assigned from Firment Trading Limited, a Cypriot company, to Firment Trading Limited, a Marshall Islands corporation, each of which is a company related to us through common control. We have the right to drawdown any amount up to \$20.0 million or prepay any amount, during the availability period, in multiples of \$0.1 million. Currently, we have \$15.9 million drawn under the Firment Credit Facility.

In January 2016, we entered into a credit facility for up to \$3.0 million with Silaner Investments Limited, a company related to us through common control, for the purpose of financing its general working capital needs. Currently, we have \$2.15 million drawn under the Silaner Credit Facility. Any prepaid amount can be re-borrowed in accordance with the terms of the facility.

Based on the Company’s cash flow projections for the year ending December 31, 2016, cash on hand and cash generated from operating activities will not be sufficient for the Company to cover scheduled debt payments or finance its operations due in 2016. However, after the agreements reached with the banks and the new supplemental agreement with Firment Trading Limited and the new agreement with Silaner Investments Limited, the Company believes it will be in position to have sufficient liquidity to cover its debt payments and finance its operations until the end of 2016.

Cash Flows

Cash and cash equivalents were \$2.0 million as of December 31, 2015, \$5.1 million as of December 31, 2014 and \$5.9 million as of December 31, 2013, while \$0.25 million was cash on hand and cash at banks. \$1.75 million, or 87.5% of our cash and cash equivalents, was in bank deposits at the end of 2015.

Restricted cash that consist of cash pledged as collateral was \$0.5 at the end of 2015, \$1.0 million at the end of 2014 and \$1.0 million at the end of 2013. We consider highly liquid investments such as bank time deposits with an original maturity of three months or less to be cash equivalents.

Net Cash (Used In) / Generated From Operating Activities

Net cash generated used in operating activities in 2015 amounted to \$0.1 million compared to net cash generated from operating activities of \$9.5 million in 2014. The decrease is primarily attributable to a decrease in the general shipping rates and average TCE rates achieved by the vessels in our fleet.

Net cash generated from operating activities decreased by \$2.9 million, or 23%, to \$9.5 million in 2014, compared to \$12.4 million in 2013. The decrease is primarily attributable to a decrease in the general shipping rates and average TCE rates achieved by the vessels in our fleet.

Net Cash (Used In)/ Generated From Investing Activities

Net cash generated from investing activities was \$5.4 million during the year ended December 31, 2015, which was mainly attributable to \$5.3 million net proceeds from sale of vessel.

We had no significant investing activities during 2014.

Net cash used in investing activities was \$1.0 million during the year ended December 31, 2013, which was mainly attributable to \$1.0 million time deposit with original maturity of more than three months.

Net Cash Used In Financing Activities

Net cash used in financing activities during the year ended December 31, 2015 amounted to \$8.4 million and consisted of \$45.5 million of indebtedness that we repaid under our existing credit and loan facilities, \$0.5 million paid on our Series A Preferred Shares, a \$0.5 million decrease of pledged bank deposits, \$2.4 million of interest paid, reduced by \$39.5 million in proceeds drawn from the Firment Credit Facility entered into for financing general working capital needs and from the HSH Loan Agreement entered into for part refinancing our then existing credit facility with Credit Suisse AG

Net cash used in financing activities during the year ended December 31, 2014 amounted to \$9.3 million and consisted of \$12.4 million of indebtedness that we repaid under our existing credit and loan facilities, \$0.4 million paid on our Series A Preferred Shares, \$2.0 million of interest paid, reduced by \$5.5 million in proceeds drawn from the Firment Credit Facility entered into for financing general working capital needs.

Net cash used in financing activities during the year ended December 31, 2013 amounted to \$17.1 million and consisted of \$16.4 million of indebtedness that we repaid under our existing credit and loan facilities, \$0.2 million paid on our Series A Preferred Shares, \$3.5 million of interest paid, reduced by \$1.0 million of pledged time deposit released, and proceeds of \$2.0 million from the Firment Credit Facility entered into for financing general working capital needs.

Indebtedness

We operate in a capital intensive industry which requires significant amounts of investment, and we fund a portion of this investment through long-term bank debt.

As of December 31, 2015, 2014 and 2013, we and our vessel-owning subsidiaries had outstanding borrowings under our Credit Facility, the Kelty Loan Agreement, the DVB Loan Agreement, HSH Loan Agreement and our Firment Credit Facility of an aggregate of \$78.6 million, \$84.6 million and \$91.5 million, respectively.

Credit Facility

General

In November 2007, Globus Maritime Limited entered into a \$120.0 million secured reducing revolving Credit Facility with Credit Suisse AG, which was supplemented from time to time. Our Credit Facility is available to us in connection with vessel acquisitions by our vessel-owning subsidiaries as well as for working capital purposes. During February 2015, we entered into a new loan agreement with HSH Nordbank AG, the HSH Loan Agreement, for up to \$30.0 million for the purpose of part refinancing our existing Credit Facility with Credit Suisse AG. In March 2015, we prepaid \$30.0 million to Credit Suisse AG, and the remaining amount outstanding of \$5.0 million was paid in July 2015.

Our Credit Facility permitted us to borrow funds up to the reducing facility limit which began at \$120.0 million and which was reduced on “Reduction Dates” every six months (in May and November) according to the following agreed schedule: (1) by \$10.0 million on each of the first to fourth Reduction Dates, inclusive, (2) by \$4.5 million on each of the fifth to fifteenth Reduction Dates, inclusive, and (3) by \$30.5 million on the sixteenth and final Reduction Date, which was November 2015. Consequently, on every Reduction Date that the outstanding balance exceeded the applicable reduced facility limit, we were required to pay a principal installment to the bank to ensure that the outstanding balance remained at or below the applicable facility limit.

We were permitted to voluntarily prepay principal installments to the bank without penalty at any time between Reduction Dates. Such voluntarily prepaid principal amounts became undrawn amounts under the Credit Facility and we could have re-borrowed such amounts, or parts thereof, subject to the reducing facility limit. Our Credit Facility had commitment fees of 0.25% per annum on any undrawn amounts under the facility, other than undrawn amounts relating to approximately \$14.9 million, in which the commitment fee was 0.5%. Interest on outstanding balances was historically payable at 0.95% per annum over LIBOR, except when the aggregate security value of the mortgaged vessels is more than 200% of the outstanding balances, in which case the interest was 0.75% per annum over LIBOR. The interest rate was changed as of March 31, 2014. Please see “–Revisions to Credit Facility” below.

Our ability to borrow amounts under our Credit Facility was subject to satisfaction of certain customary conditions precedent and compliance with terms and conditions included in our Credit Facility documentation. To the extent that the vessels in our fleet that secure our obligations under our Credit Facility were insufficient to satisfy minimum security requirements, we were required to grant additional security or obtain a waiver or consent from the lender.

Security

Our obligations under our Credit Facility were secured by a first preferred mortgage on four vessels (the *m/v Tiara Globe*, *m/v River Globe*, *m/v Sky Globe* and *m/v Star Globe*). Our Credit Facility was later secured by the *m/v Tiara Globe*. See “–HSH Loan Agreement.” Our Credit Facility was also secured by a first priority assignment of any time charter or other contract of employment of any vessel that acts as security, a first priority account pledge over the operating account of the vessel-owning company and an assignment of the vessel’s insurances and earnings. Each of the vessel-owning subsidiaries that owns a vessel pledged as security under our Credit Facility guaranteed our obligations under the facility. In February 2015, we paid down certain aspects of our Credit Facility, and certain of the security was released. See “–HSH Loan Agreement” for more information.

Covenants

Our Credit Facility contained financial and other covenants. During December 2012 and December 2014, we agreed with Credit Suisse to amend our Credit Facility and waive certain covenants, which agreements were memorialized by supplemental agreements in March 2013 and February 2015, respectively, covering the periods from December 28, 2012 to March 31, 2014 (“first waiver period”) and from December 31, 2014 to November 30, 2015 (“second waiver period”) respectively. The covenants as amended provided that:

- The aggregate charter free-market value of the mortgaged vessels during the first waiver period should have equaled or exceeded 110% (instead of 133%) of the outstanding balance under the facility, minus the aggregate amount, if any, standing to the credit of our operating accounts or any bank accounts opened with the lender, which are subject to an encumbrance in favor of the lender and designated as a “security account” by the lender for purposes of the Credit Facility. As of December 31, 2014 and 2013, the ratio was 181% and 172% respectively;
- During the first waiver period Credit Suisse fully waived the requirement that the ratio of our consolidated market adjusted net worth to our total assets should have exceeded 35% at all times. During the second waiver period Credit Suisse reduced its requirement to 15%. As of December 31, 2014 and 2013, the ratio was 29% and 37%, respectively, corresponding to a \$11.3 million shortfall and a \$5.3 million excess amount of the required amount based on the fair market value of the fleet respectively when compared to the original minimum requirement of 35%;
- During the first waiver period Globus should have had consolidated cash and cash equivalents, not less than the greater of (1) \$5.0 million (instead of \$10.0 million) and (2) the sum determined by the bank to be the aggregate of the total principal amount of all borrowed money and interest accruing thereon, payable by the Company and which falls due in the six-month period commencing on any relevant day. This minimum liquidity requirement however, was changed permanently as of March 31, 2014. Please see “–Revisions to Credit Facility” below;
- Globus was not permitted to pay dividends on its common shares during the first waiver period; Restriction on dividend payments was changed permanently as of March 31, 2014. Please see “–Revisions to Credit Facility” below;
- During the first waiver period, our Credit Facility bore interest at LIBOR plus a margin of 2.10% while during the second waiver period the facility to bear interest at LIBOR plus a margin of 2.00% on the amounts outstanding as of March 25, 2015 (“test date”). For any amounts prepaid before the test date, the facility to bear interest at LIBOR plus a margin of 1.20%; and
- Mr. George Feidakis maintains at least 35% of our total issued voting share capital.

Revisions to Credit Facility

During March 2014, the Company reached an agreement with Credit Suisse on permanently revising certain terms of our Credit Facility. The Company agreed with Credit Suisse that:

- The Company must maintain cash and cash equivalents of not less than \$5.0 million conditional on the Company not declaring and paying dividends to common shareholders. In the event of dividend payment, the Company must maintain cash and cash equivalents of not less than \$7.0 million and must maintain such amount during a continuous period of at least three months following the dividend payment, upon which the minimum amount will be reduced to the \$5.0 million requirement.
- From March 31, 2014 onwards the Credit Facility bore interest at LIBOR plus a margin of 1.20%.
- The Company was prohibited from paying dividends to the holders of preferred shares in an amount that will exceed \$0.5 million per fiscal year when cash and cash equivalents of the Company was less than \$7.0 million.

Our Credit Facility also contained general covenants that required us to comply with the ISPS Code, carry all required licenses and provide consolidated financial statements to the bank. In addition, our Credit Facility included customary events of default, including those relating to a failure to pay principal or interest, a breach of covenant, representation and warranty, a cross-default to other indebtedness and non-compliance with security documents. We were permitted, prior to the supplemental agreements and revisions described above, to pay dividends in respect of any of our financial quarters (other than during the waiver period described above) so long as we were not in default of our Credit Facility at the time of the declaration or payment of the dividends nor would a default occur as a result of the declaration or payment of such dividends.

As of December 31, 2014, we had a \$35.0 million outstanding balance under our Credit Facility which was equal to our Credit Facility. Our Credit Facility was fully repaid in 2015.

During February 2015, we entered into a new loan agreement with HSH Nordbank AG, which we refer to as the HSH Loan Agreement, for up to \$30.0 million for the purpose of a partial refinancing of our Credit Facility. In March 2015, we prepaid \$30.0 million to Credit Suisse reducing the outstanding balance under the Credit Facility to \$5.0 million which was settled in July 2015 from the proceeds from the sale of *m/v Tiara Globe*. With effect of the prepayment, Credit Suisse released its securities over *m/v River Globe*, *m/v Star Globe* and *m/v Sky Globe* as well as the securities over their respective vessel-owning subsidiaries. Our Credit Facility was fully repaid in 2015.

As of December 31, 2014 and 2013, we were in compliance with the covenants of our Credit Facility, as amended and in effect.

DVB Loan Agreement

In June 2011, Globus through its wholly owned subsidiaries, Artful Shipholding S.A. and Longevity Maritime Limited, entered into the DVB Loan Agreement for an amount up to \$40.0 million with DVB Bank SE and used funds borrowed thereunder to finance part of the purchase price for the *m/v Moon Globe* and *m/v Sun Globe*. Globus acts as guarantor for this loan.

In June 2011, \$19.0 million was drawn (Tranche A) for the purpose of partly financing the acquisition of the m/v Moon Globe. Tranche A was originally payable in 30 quarterly installments of \$440,000 and a balloon payment of \$5.3 million payable together with the 30th and last installment payable in December 2018. Tranche A is now payable, subsequent to the third waiver described below, in 28 quarterly installments of \$440,000 and a balloon payment of \$6.18 million payable together with the 28th and last installment payable in December 2018. As of December 31, 2015, the outstanding principal balance of Tranche A was \$10.58 million. The Company prepaid \$880,000 in April 2016, with the next installment becoming due in March 2017.

In September 2011, \$18.0 million was drawn (Tranche B) for the purpose of partly financing the acquisition of the m/v Sun Globe. Tranche B was originally payable in 30 quarterly installments of \$416,250 and a balloon payment of \$5.0 million payable together with the 30th and last installment payable in March 2019. Tranche B is now payable, subsequent to the third waiver described below, in 28 quarterly installments of \$416,250 and a balloon payment of \$5.84 million payable together with the 28th and last installment payable in March 2019. As of December 31, 2015, the outstanding principal balance of Tranche B was \$10.42 million. The Company prepaid \$832,500 in April 2016 with the next installment becoming due in March 2017.

The DVB Loan Agreement contains the following provisions:

Interest

Interest on outstanding loan balances are payable at LIBOR plus 2.5% per annum and any outstanding amount under the DVB Loan Agreement may be prepaid in a multiple of \$500,000 with five days business prior written notice. A variable prepayment fee applied in case of refinancing of the DVB loan agreement by another lender within the first three years of a new loan, but was not applicable in case of the sale of a vessel or repayment of such facility by equity.

Security

The obligations under the DVB Loan Agreement is secured by a first priority mortgage on the *m/v Sun Globe* and the *m/v Moon Globe*, as well as assignment of the time charters and assignments of earnings, insurances and requisition compensation.

Covenants

The DVB Loan Agreement contains financial and other covenants. During December 2012 and December 2014, we agreed with DVB Bank to amend our loan agreement and waive certain covenants, which agreements were memorialized by supplemental agreements in April 2013, February 2015 and April 2016, respectively, covering the periods from December 31, 2012 to March 31, 2014 (“first waiver period”), from December 31, 2014 to March 30, 2016 (“second waiver period”) and from March 1, 2016 to March 31, 2017 (“third waiver period”), respectively. The covenants as in effect and as amended provided that:

- During the first waiver period the aggregate charter free-market value of the mortgaged vessels should have equaled or exceed 107% (instead of 120% during the first two years and 130% thereafter) of the outstanding balance under the DVB Loan Agreement less any cash held in DVB Bank’s account and pledged to DVB Bank up to \$1.0 million. During the second waiver period the required percentage was set at 110%. During the third waiver period the required percentage was set at 50%. As of December 31, 2015 and 2014, the aggregate fair market value of the Mortgaged vessels was approximately 92% and 137% respectively of the outstanding balance under the DVB Loan Agreement less any cash pledged to DVB Bank;
- A quarterly cash sweep mechanism was put into effect in April 2013 and implemented on all vessels mortgaged under the DVB Loan Agreement on an individual vessel basis until the security value equals or exceeds 130% of the loan outstanding. Under this mechanism, all earnings of these vessels after operating expenses, drydocking provision, general and administrative expenses and debt service, if any, are to be used as applied towards the balloon payment of the relevant tranche;
- During both the first and the second waiver periods Globus must maintain a minimum market adjusted net worth of more than \$20.0 million (instead of \$50.0 million) and a minimum liquidity of \$5.0 million (instead of the lesser of \$10.0 million and \$1.0 million per vessel owned by us). As of December 31, 2014 the market adjusted net worth of Globus was \$36.2 million. During the third waiver period the application of this clause is waived so long as Globus is not otherwise in default under the DVB Loan Agreement and no legal proceeding has been taken against it or any of its subsidiaries for an amount exceeding \$500,000;

- During both the first and the second waiver periods the ratio of our market adjusted net worth to our total assets must be greater than 15% (instead of 35%). As of December 31, 2014 the ratio was 29% corresponding to \$11.3 million shortfall of the required fair market value of the fleet respectively when compared to the original minimum requirement of 35%. During the third waiver period the application of this clause is waived so long as Globus is not otherwise in default under the DVB Loan Agreement and no legal proceeding has been taken against it or any of its subsidiaries for an amount exceeding \$500,000;
- Globus was permitted to pay dividends on its common shares until the first waiver period provided that no event of default had occurred and was continuing at the time of declaration or payment of such dividends, nor would result from the declaration or payment of such dividends. During the first waiver period Globus may pay dividends to the holders of preferred shares in an aggregate amount that will not exceed \$500,000 per fiscal year. During the third waiver period and at any time thereafter Globus is allowed to pay dividends to its shareholders provided that (i) no event of default has occurred and is continuing at the time of declaration or payment of such dividends, nor would result from the declaration or payment of such dividends and (ii) there is no less than \$500,000 standing to the credit of each Minimum Liquidity Account at the time of declaration or payment of the dividends and (iii) the amount of each balloon payment is not more than \$5,300,000 in respect of the Artful Advance and not more than \$5,012,500 in respect of the Longevity Advance at the time of declaration or payment of the dividends; during the third waiver period and at any time thereafter each of Artful Shipholding S.A. and Longevity Maritime Limited is allowed to pay dividends to its shareholders provided that (i) no event of default has occurred and is continuing at the time of declaration or payment of such dividends, nor would result from the declaration or payment of such dividends and (ii) there is no less than \$500,000 standing to the credit of each Minimum Liquidity Account and (iii) the amount of each balloon payment is not more than \$5,300,000 in respect of the Artful Advance and not more than \$5,012,500 in respect of the Longevity Advance;
- The vessel-owning subsidiaries that own a vessel pledged as security under the DVB Loan Agreement will each maintain a minimum liquidity of \$500,000. During the third waiver period this obligation is waived and the amount deposited from time to time in such Account will not be more than \$500,000 in aggregate;
- Mr. George Feidakis and Mr. George Karageorgiou maintain at least 35% of our total voting share capital; and
- We maintain our listing on a major stock exchange in the United States, Europe or Asia.

The amendments with respect to the first waiver are subject to \$1.0 million prepayment, which was paid in April 2013. The prepayment was applied against the balloon payment.

The amendments with respect to the second waiver period are subject to a \$3.4 million prepayment initially agreed to be paid no later than June 30, 2015, and subsequently verbally agreed to be paid at the dates of the original repayment schedule, and which we paid at such installment times.

The amendments with respect to the third waiver were subject to \$1.7 million prepayment, which was paid in April 2016, and the number of quarterly payments and the amount of the balloon payments were revised (as described above). The prepayment was applied against the four consecutive quarterly installments following the prepayment.

As of December 31, 2014, we were in compliance with the loan covenants of the DVB Loan Agreement, as amended and in effect.

As of December 31, 2015, we were not in compliance with three loan covenants of the DVB Loan Agreement:

- The aggregate charter free-market value of the mortgaged vessels did not exceed 107% of the outstanding balance under the DVB Loan Agreement less any cash held in DVB Bank's account and pledged to DVB Bank up to \$1.0 million. As of December 31, 2015, the ratio was approximately 92%.
- Globus should maintain a minimum market adjusted net worth of more than \$20.0 million and a minimum liquidity of \$5.0 million. As of December 31, 2015 market adjusted net worth was \$(24.5) million and the liquidity of the Company was \$2.5 million.
- The ratio of our market adjusted net worth to our total assets should be greater than 15%. As of December 31, 2015 this ratio was -41%.

Kelty Loan Agreement

In June 2010, through our wholly owned subsidiary, Kelty Marine Ltd., we entered into the \$26.7 million Kelty Loan Agreement with Deutsche Schiffsbank Aktiengesellschaft (now Commerzbank) and used funds borrowed thereunder to finance part of the purchase price for the *m/v Energy Globe* (formerly called *m/v Jin Star*). We acted as guarantor for this loan.

The Kelty Loan Agreement had a term of seven years and is payable in 28 equal quarterly installments of \$500,000 starting in September 2010, as well as a balloon payment of \$12.65 million payable together with the 28th and final installment payable in June 2017. Interest on outstanding balances under the Kelty Loan Agreement was payable at LIBOR plus a variable margin. The applicable margin is determined on the basis of the “loan to value ratio,” which is a fraction where the numerator was the principal amount outstanding under the Kelty Loan Agreement and the denominator was the charter free market value of the *m/v Energy Globe* (formerly called *m/v Jin Star*) and any amount of free liquidity maintained with Commerzbank. Set forth below is the margin that would have applied to the loan, depending on the applicable loan to value ratio in any given application period:

Loan to Value Ratio	Margin
Less than 45%	2.25%
Equal or greater than 45% and less than or equal to 60%	2.40%
Greater than 60% and less than or equal to 70%	2.50%
Greater than 70%	2.75%

Kelty Marine could have prepaid the loan in a minimum amount of \$1 million and multiples thereof, up to \$2 million per year without any penalty. The Kelty Loan Agreement had a commitment fee of 0.5% per annum on the amount of the undrawn balance of the agreement through September 30, 2010, and had a 0.75% flat management fee on the loan amount. On April 29, 2013, the Company prepaid \$3.0 million together with the scheduled installment due on June 28, 2013 against its six following scheduled installment payments.

Security

The loan was secured by a first preferred mortgage on the *m/v Energy Globe* (formerly called *m/v Jin Star*), assignment of insurances, earnings and requisition compensation on the vessel and assignment of the bareboat charter.

Covenants

The Kelty Loan Agreement contained financial and other covenants requiring Kelty Marine to, among other things, ensure that:

- Kelty Marine did not undergo a change of control;
- Kelty Marine and/or the Company maintained at least \$1 million in minimum liquidity with Commerzbank;
- the ratio of our shareholders’ equity to total assets was not less than 25%;
- we had a minimum equity of \$50 million;
- the market value of the *m/v Energy Globe* (formerly called *m/v Jin Star*) and any additional security provided, including the minimum liquidity with Commerzbank, was or exceeded 130% of the aggregate principal amount of debt outstanding under the Kelty Loan Agreement; and
- Mr. George Feidakis and Mr. George Karageorgiou, our founders, maintained in the aggregate at least 37% of the shareholding in us.

The Kelty Loan Agreement permitted us to declare and pay dividends without prior written permission of the lender so long as there is no event of default under such agreement.

As of December 31, 2015, we were not in compliance with the security value requirement that requires the market value of the *m/v Energy Globe* (formerly called *m/v Jin Star*) and any additional security provided, including the minimum liquidity with the lender, to be equal or greater than 130% (the actual ratio we achieved was 80%) of the aggregate principal amount of debt outstanding under the Kelty Loan Agreement. We were not in compliance with the minimum liquidity if \$1 million with Commerzbank (the actual liquidity was \$0.5 million) and the requirement of a minimum equity of \$50 million (the actual equity was \$30.5 million). As of December 31, 2015, the outstanding principal balance was \$15.65 million.

In March 2016, we reached a settlement agreement with Commerzbank relating to the Kelty Loan Agreement. Commerzbank agreed to settle the outstanding indebtedness of \$15.65 million in return for the sale of the shares of Kelty Marine Ltd. for \$6.86 million plus overdue interest of \$40,708. If the total amount of cash and bank balances and bank deposits exceeds \$10 million in the aggregate as declared on June 30, 2016 then we must pay to Commerzbank any excess amounts. If there is no excess, Globus will be released from its guarantee.

Firment Credit Facility

In December 2013, Globus Maritime Limited entered into a credit facility for up to \$4.0 million with Firment Trading Limited, a company related to us through common control, for the purpose of financing its general working capital needs. The Firment Credit Facility is unsecured and remains available until its final maturity date, originally at December 12, 2015, when Globus Maritime Limited must repay all drawn and outstanding amounts at that time. During December 2014 the credit limit of the facility increased from \$4.0 to \$8.0 million and its final maturity date was extended to April 29, 2016. During December 2015 the credit limit of the facility increased from \$8.0 to \$20.0 million and its final maturity date was extended to April 12, 2017. In December 2015, the Firment Credit Facility was assigned from Firment Trading Limited, a Cypriot company, to Firment Trading Limited, a Marshall Islands corporation, each of which is a company related to us through common control. We have the right to drawdown any amount up to \$20.0 million or prepay any amount, during the availability period in multiples of \$100,000. Any prepaid amount can be re-borrowed in accordance with the terms of the facility. Interest on drawn and outstanding amounts is charged at 5% per annum and no commitment fee is charged on the amounts remaining available and undrawn.

As of December 31, 2015 and 2014, the amounts drawn and outstanding with respect to the facility were \$14.6 and \$7.5 million, respectively. As of December 31, 2015, there was an amount of \$5.4 million available to be drawn under the Firment Credit Facility. As of December 31, 2015 and 2014, and as of the date of this annual report on Form 20-F, we were in compliance with the loan covenants of the Firment Credit Facility.

Silaner Credit Facility

In January 2016, Globus Maritime Limited entered into a credit facility for up to \$3.0 million with Silaner Investments Limited, a company related through common control, for the purpose of financing its general working capital needs. The Silaner Credit Facility is unsecured and remains available until its final maturity date at January 12, 2018, when Globus Maritime Limited must repay all drawn and outstanding amounts at that time. We have the right to drawdown any amount up to \$3.0 million or prepay any amount in multiples of \$100,000. Any prepaid amount can be re-borrowed in accordance with the terms of the facility. Interest on drawn and outstanding amounts is charged at 5% per annum and no commitment fee is charged on the amounts remaining available and undrawn.

As of the date of this annual report on Form 20-F, we were in compliance with the loan covenants of the Silaner Credit Facility.

HSH Loan Agreement

In February 2015, through our wholly owned subsidiaries, Devocean Maritime Ltd. Domina Maritime Ltd. and Dulac Maritime S.A., we entered into the HSH Loan Agreement for an amount up to \$30.0 million with HSH Nordbank AG and used funds borrowed thereunder with the purpose to part refinance our then existing Credit Facility with Credit Suisse. On March 3, 2015, \$29.4 million was drawn as follows:

\$8.6 million was drawn (Tranche A) for the purpose of prepaying the amount outstanding to our Credit Facility with Credit Suisse with respect to *m/v River Globe*. Tranche A was originally payable in 19 quarterly installments of \$239,115 starting in June 2015 and a balloon payment of \$4.0 million payable together with the 19th and last installment payable in December 2019. The balance outstanding of Tranche A at December 31, 2015 was \$7,862,655 payable in 16 equal quarterly installments of \$239,115 starting in March 2016, as well as a balloon payment of \$4,036,115 due together with the 16th and final installment due in December 2019.

\$10.1 million was drawn (Tranche B) for the purpose of prepaying the amount outstanding to our Credit Facility with Credit Suisse with respect to *m/v Sky Globe*. Tranche B was originally payable in 19 quarterly installments of \$230,000 starting in June 2015 and a balloon payment of \$5.7 million payable together with the 19th and last installment payable in December 2019. The balance outstanding of Tranche B at December 31, 2015 was \$9,410,000 payable in 16 equal quarterly installments of \$230,000 starting in March 2016, as well as a balloon payment of \$5,730,000 due together with the 16th and final installment due in December 2019.

\$10.7 million was drawn (Tranche C) for the purpose of prepaying the amount outstanding to our Credit Facility with Credit Suisse with respect to *m/v Star Globe*. Tranche C was originally payable in 19 quarterly installments of \$224,480 starting in June 2015 and a balloon payment of \$6.5 million payable together with the 19th and last installment payable in December 2019. The balance outstanding of Tranche C at December 31, 2015 was \$10,051,560 payable in 16 equal quarterly installments of \$224,480 starting in March 2016, as well as a balloon payment of \$6,459,880 due together with the 16th and final installment due in December 2019.

There is no amount remaining available to be drawn under the HSH Loan Agreement.

Interest on outstanding loan balances are payable at LIBOR plus 3.0% per annum for interest periods of three months and at LIBOR plus 3.1% for interest periods of one month, where interest periods are at the option of the borrower.

Security

Our obligations under our HSH Loan Agreement are secured by a first preferred mortgage on three vessels (*m/v River Globe*, *m/v Sky Globe* and *m/v Star Globe*). Our loan agreement is also secured by a first priority assignment of any time charter or other contract of employment of any vessel that acts as security, a first priority account pledge over the operating account of the vessel-owning company and an assignment of the vessel’s insurances and earnings. Each of the vessel-owning subsidiaries that owns a vessel pledged as security under our loan agreement has agreed to the obligations under the facility. Globus Maritime Limited acts as guarantor for this loan.

Subject to the below, the HSH Loan Agreement contains various covenants requiring the vessels owning companies and Globus to, amongst others things, ensure that:

- the aggregate fair market value of the mortgaged vessels and any additional security must equal or exceed 125% of the outstanding balance under the loan agreement.
- the ratio of Globus’s total liabilities to its market adjusted total assets shall always be not higher than 0.75:1.00.
- Globus to maintain a minimum market adjusted net worth of more than or equal to \$30.0 million.
- the vessel owning subsidiaries must each maintain a minimum liquidity of \$250,000 in an account pledged to the bank,
- Globus shall maintain a minimum liquidity of greater than 5% of its consolidated indebtedness.

As of December 31, 2015, we were in breach of all the above covenants except for the minimum liquidity requirement of \$250,000 for each vessel owing subsidiary.

In March 2016, the Company repaid the principal instalment of \$693,595.

During April 2016, Globus reached an agreement in principle with HSH Nordbank AG on certain amendments and relaxations and/or waivers to the terms of the loan agreement. Subject to completing documentation, it was agreed that the Company will receive relaxations and/or waivers for 2016 to March 2017 regarding certain financial covenants: the minimum value of the mortgaged vessels will be reduced to 60% of the balance of the loan; the ratio of Globus’s total liabilities to its market adjusted total assets will be reduced to 2:1, the minimum liquidity requirement of Globus and the market adjusted net worth requirements would be waived, and the vessel owning subsidiaries must each maintain a minimum liquidity of \$70,000.

The Company also agreed in April 2016, subject to final documentation, to repay only one instead of three principal instalments during 2016 using the pledged cash of \$750,000 that has already deposited in HSH accounts, the remaining two instalments would be deferred to March 2017 principal repayment date. In addition, if there is any excess amount over a TCE rate of \$6,500, the excess will be used to reduce the deferred amounts. If the cash sweep that occurs in 2017 does not result in the payment in full of the deferred amounts, then the remaining deferred amounts will be deferred to the final balloon payment. In addition, HSH and Globus will look for potential buyers of the relevant ships in a mutual process to ideally sell the vessels for an amount that allows for the full repayment of the HSH Loan Agreement. A \$50,000 restructuring fee will also be paid.

All the Company’s loan and credit arrangements with unaffiliated third parties (this excludes the Silaner Credit Facility and the Firment Credit Facility, which are both affiliates of our chairman Mr. George Feidakis) contain cross-default provisions that provide that if the Company is in default under any of its loan or credit arrangements, the lender of another loan or credit arrangement can declare a default under its other loan or credit arrangement, which could result in the Company’s default in all of its loan and credit arrangements with unaffiliated third parties. Because of the presence of cross-default provisions in these loan and credit arrangements with unaffiliated third parties, the refusal of any lender to grant or extend a relaxation or a waiver could result in most of its indebtedness being accelerated, notwithstanding that other lenders have relaxed or waived covenant defaults under their respective loan arrangements.

As of December 31, 2015, the Company was in breach of most of the covenants included in its loan agreements with HSH Nordbank AG, Commerzbank AG and DVB Bank SE and therefore the total amount outstanding for these loans was classified under current liabilities.

In March 2016, the Company reached a settlement with Commerzbank AG, and in April 2016 the Company entered into a supplemental agreement with DVB Bank SE and an agreement in principle (which is subject to completing final documentation) with HSH Nordbank AG. Subject to completing final documentation of our supplemental agreement with HSH Nordbank AG, as of the date hereof, the Company was not in breach of any of its loan and credit arrangements.

Financial Instruments

The major trading currency of our business is the U.S. dollar. Movements in the U.S. dollar relative to other currencies can potentially impact our operating and administrative expenses and therefore our operating results.

In November 2008, in an effort to mitigate the exposure to interest rate movements, we entered into two interest rate swap agreements for a notional amount of \$25.0 million in total. Both interest rate swap agreements reached maturity in November 2013.

We believe that we have a low risk approach to treasury management. Cash balances are invested in term deposit accounts, with their maturity dates projected to coincide with our liquidity requirements. Credit risk is diluted by placing cash on deposit with a variety of institutions in Europe, including a small number of banks in Greece, which are selected based on their credit ratings. We have policies to limit the amount of credit exposure to any particular financial institution.

As of December 31, 2015, 2014 and 2013, we did not use and have not used any financial instruments designated in our consolidated financial statements as those with hedging purposes.

Capital Expenditures

We make capital expenditures from time to time in connection with our vessel acquisitions or vessel improvements. We have no agreements to purchase any additional vessels, but may do so in the future. We expect that any purchases of vessels will be paid for with cash from operations, with funds from new credit facilities from banks with whom we currently transact business, with loans from banks with whom we do not have a banking relationship but will provide us funds at terms acceptable to us, with funds from equity or debt issuances or any combination thereof.

We incur additional capital expenditures when our vessels undergo surveys. This process of recertification may require us to reposition these vessels from a discharge port to shipyard facilities, which will reduce our operating days during the period. The loss of earnings associated with the decrease in operating days, together with the capital needs for repairs and upgrades, is expected to result in increased cash flow needs. We expect to fund these expenditures with cash on hand.

C. *Research and Development, Patents and Licenses, etc.*

We incur, from time to time, expenditures relating to inspections for acquiring new vessels that meet our standards. Such expenditures are insignificant and they are expensed as they incur.

D. *Trend Information*

Please read “Item 4.B. Information on the Company—Business Overview.”

E. *Off-Balance Sheet Arrangements*

We do not have any off-balance sheet arrangements.

F. *Tabular Disclosure of Contractual Obligations*

The following table sets forth our contractual obligations and their maturity dates as of December 31, 2015:

	<u>Within One Year</u>	<u>One to Three Years</u>	<u>Three to Five Years</u>	<u>More than Five years</u>	<u>Total</u>
	(in thousands of U.S. Dollars)				
Long term debt	8,200	70,378	-	-	78,578
Interest on long term debt	2,647	3,308	-	-	5,955

G. *Safe Harbor*

See the section entitled “Cautionary Note Regarding Forward-Looking Statements” at the beginning of this annual report on Form 20-F.

Item 6. **Directors, Senior Management and Employees**

A. *Directors and Senior Management*

The following table sets forth information regarding our executive officers and our directors. Our articles of incorporation provide for a board of directors serving staggered, three-year terms, other than any members of our board of directors that may serve at the option of the holders of preferred shares, if any are issued with relevant appointment powers. The term of our Class I directors expires at our annual general meeting of shareholders in 2017, the term of our Class II directors expires at our annual general meeting of shareholders in 2018 and the term of our Class III directors expires at our annual general meeting of shareholders in 2016. Officers are appointed from time to time by our board of directors and hold office until a successor is appointed or their employment is terminated. The business address of each of the directors and officers is c/o Globus Shipmanagement Corp., 128 Vouliagmenis Avenue, 3rd Floor, 166 74 Glyfada, Athens, Greece.

Name	Position	Age
Georgios Feidakis	Chairman of the Board of Directors	65
Amir Eilon	Director	67
Jeffrey O. Parry	Director	56
Athanasios Feidakis	Director, President, Chief Executive Officer, Chief Financial Officer	29
Olga Lambrianidou	Secretary	60

Georgios (“George”) Feidakis, a Class III director, is our co-founder and principal shareholder and has served as our non-executive chairman of the board of directors since inception. Mr. George Feidakis is also the major shareholder and Chairman of F.G. Europe S.A., a company Mr. George Feidakis has been involved with since 1994 and that has been listed on the Athens Stock Exchange since 1968, and acts as a director and executive for several of its subsidiaries. FG Europe is active in four lines of business and distributes well-known brands in Greece, the Balkans, Turkey and Italy. FG Europe is in the air-conditioning and white/brown electric goods market in Greece and is active in power generation and mobile telephony. Mr. George Feidakis is also the director and chief executive officer of R.F. Energy S.A., a company that plans, develops and controls the operation of energy projects, and acts as a director and executive for several of its subsidiaries.

Athanasios (“Thanos”) Feidakis * a Class I Director was appointed to our board of directors in July 2013 to fill a vacancy in our board of directors. As of December 28, 2015, Mr. Feidakis was also appointed our President, CEO and CFO, immediately after the resignation of Mr. Georgios Karageorgiou. From October 2011 through June 2013, Mr. Feidakis worked for our operations and chartering department as an operator. Prior to that and from September 2010 to May 2011, Mr. Athanasios Feidakis worked for ACM, a shipbroking firm, as an S&P broker, and from October 2007 to April 2008, he worked for Clarksons, a shipbroking firm, as a chartering trainee on the dry cargo commodities chartering and on the sale and purchase of vessels. From April 2011 to the present, Mr. Athanasios Feidakis has been a director of F.G. Europe S.A., a company controlled by his family, specializing in the distribution of well-known brands in Greece, the Balkans, Turkey and Italy. F.G. Europe is also active in the air-conditioning and white/brown electric goods market and in power generation and mobile telephony in Greece. From December 2008 to the present, Mr. Athanasios Feidakis has been the President of Cyberonica S.A., a family owned company specializing in real estate development. Mr. Athanasios Feidakis holds a B.Sc. in Business Studies and a M.Sc. in Shipping Trade and Finance from the Cass Business School (City University London) and an MBA from London School of Economics. In addition, Mr. Athanasios Feidakis has professional qualifications in dry cargo chartering and operations from the Institute of Chartered Shipbrokers.

Amir Eilon, a Class III director, has served as our director since June 2007. Mr. Eilon has been a director of Eilon & Associates Limited since February 1999, which provides general corporate advice. Mr. Eilon was previously a non-executive chairman of Spring plc, listed on the London Stock Exchange, from mid-2004 to August 2009 and a director of Flamingo Holdings, a venture capital backed private company, from March 2007 to April 2009. Mr. Eilon was the managing director of Credit Suisse First Boston Private Equity from 1998 to 1999, the managing director of BZW from 1990 to 1998, where he was head of global capital markets, and the managing director of Morgan Stanley, London from 1985 to 1990, where he was responsible for international equity capital markets. Mr. Eilon is a Non-Executive Chairman of Intern Avenue, a company that matches companies offering paid intern opportunities to young talent looking for employment, and is a Non-Executive Director of Artichek, a company developing conservatory art software. Mr. Eilon is also the Non-Executive director of Alcentra Limited, a debt-instrument asset management company and a wholly owned subsidiary of BNYMellon.

Jeffrey O. Parry, a Class II director, has served as our director since July 2010. Mr. Parry is currently the president of Mystic Marine Advisors LLC, a Connecticut-based advisory firm specializing in turnaround and emerging shipping companies, and has been affiliated with such company since August 1998. Mr. Parry is chairman of the board of directors of TBS Shipping Limited since April 2012 and acted as its interim chief executive officer from October 2012 to December 2012. Mr. Parry also serves a non-executive director of Valhalla Shipping Inc. since January 2016 and served as its executive chairman from April 2014 to December 2015. From July 2008 to October 2009, he was president and chief executive officer of Nasdaq-listed Aries Maritime Transport Limited. Mr. Parry has also served as the managing director of A.G. Pappadakis & Co. Ltd, an Athens-based shipowner from March 2007 to July 2008, and managing director of Poten Capital Services LLC, a U.S.broker/dealer firm specializing in shipping from February 2003 to March 2007. Mr. Parry holds a B.A. from Brown University and an MBA from Columbia University.

Olga Lambrianidou, our secretary, has been a corporate consultant to the Company since November 2010, and was appointed as secretary to the Company in December 2012. Prior to joining us, Ms. Lambrianidou was the Corporate Secretary and Investor Relations Officer of NewLeads Holdings Ltd., formerly known as Aries Maritime Limited from 2008 to 2010, and of DryShips Inc., a dry bulk publicly trading shipping company from 2006 to 2008. Ms. Lambrianidou was Corporate Secretary, Investor Relations Officer and Human Resources Manager with OSG Ship Management (GR) Ltd., formerly known as Stelmar Shipping Ltd. from 2000 to 2006. Prior to 2000, Ms. Lambrianidou worked in the banking and insurance fields in the United States. She holds a BBA Degree in Marketing/English Literature from Pace University and an MBA Degree in Banking/Finance from the Lubin School of Business of Pace University in New York.

Georgios (“George”) Karageorgiou was our CEO since inception, and was also President, CFO, and Director until December 28, 2015 at which time he resigned from offices he held in the Company. Mr. Karageorgiou has agreed to remain as an employee of ours until June 30, 2016. Mr. Karageorgiou started his career as a projects engineer for Kassos Maritime Enterprises from 1990 to 1992. From 1992 to March 2004, Mr. Karageorgiou worked in various executive positions as well as a director for Stelmar Shipping Limited, a shipping company listed on the New York Stock Exchange between 2001 and 2004. Between 1995 and 2005 Mr. Karageorgiou was also a director of easyGroup Ltd, easyJet Holdings Ltd, easyInternetCafe Ltd, easyCruise Ltd, Stelinvest Corp. and a number of other easyGroup companies. Mr. Karageorgiou holds a B.E. in Mechanical Engineering and an M.E. in Ocean Engineering from Stevens Institute of Technology and an M.Sc. in Shipping Trade and Finance from City University Business School.

*Athanasios Feidakis is the son of our Chairman, George Feidakis. Other than the aforementioned, there are no other family relationships between any of our directors or senior management. There are no arrangements or understandings with major shareholders, customers, suppliers or others, pursuant to which any person referred to above was selected as a director or member of senior management.

B. Compensation

The aggregate compensation, other than share based compensation paid to members of our senior management in 2015, 2014 and 2013, was approximately \$0.1 million, \$0.1 million and \$0.2 million, respectively. In addition, our senior management received no shares in 2015, 2014 and 2013. Our former Chief Executive Officer Mr. George Karageorgiou is currently the holder of all 2,567 of our outstanding Series A Preferred Shares. Information about dividends paid to our shareholders, including to holders of Series A Preferred Shares, is contained in “Item 8. Financial Information - A. Consolidated Statements and Other Financial Information - Our Dividends Policy and Restrictions on Dividends.”

The aggregate compensation other than share based compensation paid to our non-executive directors in 2015, 2014 and 2013 was approximately \$0, \$68,000 and \$165,000, respectively, plus reimbursements for actual expenses incurred while acting in their capacity as a director. In addition, in 2015, 2014 and 2013, non-executive directors received an aggregate of 73,487 common shares, 18,306 common shares and 19,841 common shares, respectively. 31,777 common shares have been approved for issuance to our directors but have not yet been issued. We have not yet paid our non-executive directors the cash amounts that we agreed to pay them for their service to us in 2015; such amount in the aggregate is \$185,000. We also owe our non-executive directors \$117,000 for their service to us in 2014.

Our Greek employees are bound by Greek labor law, which provides certain payments to these employees upon their dismissal or retirement. We accrued as of December 31, 2015 a non-current liability of \$73,291 for such payments.

We do not have a retirement plan for our officers or directors.

C. Board Practices

Our board of directors and executive officers oversee and supervise our operations.

Each director holds office until his successor is elected or appointed, unless his office is earlier vacated in accordance with the articles of incorporation or with the provisions of the BCA. In addition to cash compensation, we pay each of Mr. Eilon, Mr. Parry \$20,000 in common shares annually. 31,777 common shares have been approved for issuance to our directors but have not yet been issued. The members of our senior management are appointed to serve at the discretion of our board of directors. Our board of directors and committees of our board of directors schedule regular meetings over the course of the year. Under the Nasdaq rules, we believe that Mr. Eilon and Mr. Parry are independent.

On December 28, 2015, Mr. Thanos Feidakis resigned from the board of directors as a Class II director and was immediately reappointed by the Board as a Class I director whose term will expire at the Company’s 2017 annual meeting of shareholders. This was accomplished solely in order to provide for an equal apportionment of the members of the board of directors of Globus Maritime Limited, among the three classes of its classified board of directors.

We have an Audit Committee, a Remuneration Committee and a Nomination Committee.

The Audit Committee is comprised of Amir Eilon and Jeffrey O. Parry. It is responsible for ensuring that our financial performance is properly reported on and monitored, for reviewing internal control systems and the auditors’ reports relating to our accounts and for reviewing and approving all related party transactions. Our board of directors has determined that Amir Eilon is our audit committee financial expert. Each Audit Committee member has experience in reading and understanding financial statements, including statements of financial position, statements of comprehensive income and statements of cash flows.

The Remuneration Committee is comprised of Jeffrey O. Parry, Athanasios Feidakis, and Amir Eilon. It is responsible for determining, subject to approval from our board of directors, the remuneration guidelines to apply to our executive officers, secretary and other members of the executive management as our board of directors designates the Remuneration Committee to consider. It is also responsible for suggesting the total individual remuneration packages of each director including, where appropriate, bonuses, incentive payments and share options. The Remuneration Committee is responsible for declaring dividends on our Series A Preferred Shares, if any. The Remuneration Committee will also liaise with the Nomination Committee to ensure that the remuneration of newly appointed executives falls within our overall remuneration policies. While Athanasios Feidakis is not an independent director, we believe that, as a family member of a significant shareholder, who has a substantial vested interest in our success, his particular input will significantly aid and assist us.

The Nomination Committee is comprised of George Feidakis, Amir Eilon and Jeffrey O. Parry. It is responsible for reviewing the structure, size and composition of our board of directors and identifying and nominating candidates to fill board positions as necessary.

For information about the term of each director, see “Item 6. Directors, Senior Management and Employees - A. Directors and Senior Management”.

D. Employees

As of December 31, 2015, we had approximately twelve full-time employees and three consultants, all of whom were hired through our Manager. All of these employees are located in Greece and are engaged in the service and management of our fleet. None of our employees are covered by collective bargaining agreements, although certain crew members are parties to collective bargaining agreements. We do not employ a significant number of temporary employees.

E. Share Ownership

With respect to the total number of common shares owned by all of our officers and directors, individually and as a group, please read “Item 7. Major Shareholders and Related Party Transactions.”

Incentives program

We maintain an equity incentive program, because we believe that equity awards are important to align our employees’ interests with those of our shareholders. Our equity incentive program is administered by our Remuneration Committee. The Remuneration Committee generally measures our performance in terms of total shareholder return, which is calculated based on changes in our share price and our dividends paid over a calendar year, which we refer to as TSR.

Our board of directors believe that these awards keep our employees focused on our growth, as well as dividend growth and its impact on our share price, over an extended time period.

The 2012 Equity Incentive Plan of Globus Maritime Limited, or the “EIP,” provides for the award of stock options, stock appreciation rights, restricted stock, restricted stock units and unrestricted stock, for directors, officers and employees (including any prospective officer or employee) of our Company and our subsidiaries and affiliates and consultants and service providers (including individuals who are employed by or provide services to any entity that is itself such a consultant or service provider) to our Company and our subsidiaries and affiliates, with the goal of providing such persons the incentive to enter into and remain in the service of the Company or its affiliates, acquire a proprietary interest in the success of the Company, maximize their performance and enhance the long-term performance of the Company.

Administration. The EIP is administered by the Remuneration Committee of our Board of Directors, or such other committee of the Board of Directors designated by the Board of Directors. We refer to the body administering the EIP as the “Administrator.” The EIP allows the Administrator to delegate its rights to the extent consistent with applicable law and our organizational documents. The Administrator has the authority to, among other things, designate the persons to receive awards under the EIP; determine the types of awards granted to a participant under the EIP; determine the number of shares to be covered by, or with respect to which payments, rights or other matters are to be calculated with respect to, awards; determine the terms and conditions of any awards; determine whether, and to what extent, and under what circumstances, awards may be settled or exercised in cash, shares, other securities, other awards or other property, or cancelled, forfeited or suspended, and the methods by which awards may be settled, exercised, cancelled, forfeited or suspended; determine whether, to what extent, and under what circumstances cash, shares, other securities, other awards, other property and other amounts payable with respect to an award shall be deferred, either automatically or at the election of the holder thereof or the Administrator; construe, interpret and implement the EIP and any Award Agreement; prescribe, amend, rescind or waive rules and regulations relating to the EIP, including rules governing its operation, and appoint such agents as it shall deem appropriate for the proper administration of the EIP; make all determinations necessary or advisable in administering the EIP; correct any defect, supply any omission and reconcile any inconsistency in the EIP or any Award Agreement; and make any other determination and take any other action that the Administrator deems necessary or desirable for the administration of the EIP. The Board of Directors has the right to alter or amend the EIP.

Number of Shares. Subject to adjustment in the event of any distribution, recapitalization, split, merger, consolidation or similar corporate event, 1,000,000 of our common shares are available for delivery pursuant to awards granted under the EIP. Awards may not be paid in cash. Shares subject to an award under the EIP that are canceled, forfeited, exchanged, settled in cash or otherwise terminated, including withheld to satisfy exercise prices or tax withholding obligations, are available for delivery pursuant to other awards. Shares issued pursuant to the EIP may be authorized but unissued common shares or treasury shares.

Award Agreements. Each award granted under the EIP shall be evidenced by a written certificate, which we refer to as an Award Agreement, which shall contain such provisions as the Administrator may deem necessary or desirable and which may, but need not, require execution or acknowledgment by a grantee. Each Award shall be subject to all of the terms and provisions of the EIP and the applicable Award Agreement.

Stock Options. A stock option is a right to purchase shares at a specified price during a specified time period. The EIP permits the grant of options covering our common shares. The Administrator may make grants under the EIP to participants containing such terms as the Administrator shall determine. No option shall be treated as an “incentive stock option” for purposes of the Code. Stock options granted will become exercisable over a period determined by the Administrator. Each Award Agreement with respect to an option shall set forth the exercise price of such Award and, unless otherwise specifically provided in the Award Agreement, the exercise price of an option shall equal the fair market value of a common share on the date of grant; provided that in no event may such exercise price be less than the greater of the fair market value of a common share on the date of grant and the par value of a common share.

Restricted Shares. A restricted share grant is an award of common shares that vests over a period of time and is subject to forfeiture until it has vested. The Administrator may determine to make grants of restricted shares under the EIP to participants containing such terms as the Administrator shall determine. The Administrator will determine the period over which restricted shares granted to participants will vest and the voting provisions. The Administrator, in its discretion, may base its determination upon the achievement of specified financial objectives.

Stock Appreciation Rights. A stock appreciation right is the right, subject to the terms of the EIP and the applicable Award Agreement, to receive from the Company an amount equal to (i) the excess of the fair market value of a common share on the date of exercise of the stock appreciation right over the exercise price of the stock appreciation right, multiplied by (ii) the number of shares with respect to which the stock appreciation right is exercised. Each Award Agreement with respect to a stock appreciation right shall set forth the exercise price of such Award and, unless otherwise specifically provided in the Award Agreement, the exercise price of a stock appreciation right shall equal the fair market value of a common share on the date of grant; provided that in no event may such exercise price be less than the greater of (A) the fair market value of a common share on the date of grant and (B) the par value of a common share. Payment upon exercise of a stock appreciation right shall be in cash or in common shares (valued at their fair market value on the date of exercise of the stock appreciation right) or any combination of both, all as the Administrator shall determine. Upon the exercise of a stock appreciation right granted in connection with an option, the number of shares subject to the option shall be reduced by the number of shares with respect to which the stock appreciation right is exercised. Upon the exercise of an option in connection with which a stock appreciation right has been granted, the number of shares subject to the stock appreciation right shall be reduced by the number of shares with respect to which the option is exercised.

Restricted Stock Unit. A restricted stock unit is a notional share that entitles the grantee to receive a common share upon the vesting of the restricted stock unit or, in the discretion of the Administrator, cash equivalent to the value of a common share. The Administrator may determine to make grants of restricted stock units under the EIP to participants containing such terms as the Administrator shall determine. The Administrator will determine the period over which restricted stock units granted to participants will vest.

Unrestricted Stock. The Administrator may grant (or sell at a purchase price at least equal to par value) common shares free of restrictions under the EIP to available participants and in such amounts and subject to such forfeiture provisions as the Administrator shall determine. Common shares may be thus granted or sold in respect of past services or other valid consideration.

Tax Withholding. At our discretion, and subject to conditions that the Administrator may impose, a participant may elect that his minimum statutory tax withholding with respect to an award may be satisfied by withholding from any payment related to an award or by the withholding of shares issuable pursuant to the award based on the fair market value of the shares.

Award Adjustments. If the Administrator determines that any dividend or other distribution (whether in the form of cash, Company shares, other securities or other property), recapitalization, stock split, reverse stock split, reorganization, merger, consolidation, split-up, spin-off, combination, repurchase or exchange of Company shares or other securities of the Company, issuance of warrants or other rights to purchase Company shares or other securities of the Company, or other similar corporate transaction or event affects the Company shares such that an adjustment is determined by the Administrator to be appropriate or desirable, then the Administrator shall, in such manner as it may deem equitable or desirable, adjust any or all of the number of shares or other securities of the Company (or number and kind of other securities or property) with respect to which Awards may be granted under the EIP. The Administrator is authorized to make adjustments in the terms and conditions of, and the criteria included in, Awards in recognition of unusual or nonrecurring events (including the events described above in the first sentence of this paragraph, the occurrence of a Change in Control (as defined in the EIP) affecting the Company, any affiliate, or the financial statements of the Company or any affiliate, or of changes in applicable rules, rulings, regulations or other requirements of any governmental body or securities exchange, accounting principles or law, whenever the Administrator determines that such adjustments are appropriate or desirable, including providing for adjustment to (1) the number of shares or other securities of the Company (or number and kind of other securities or property) subject to outstanding Awards or to which outstanding Awards relate and (2) the exercise price with respect to any Award and a substitution or assumption of Awards, accelerating the exercisability or vesting of, or lapse of restrictions on, Awards, or accelerating the termination of Awards by providing for a period of time for exercise prior to the occurrence of such event, or, if deemed appropriate or desirable, providing for a cash payment to the holder of an outstanding Award in consideration for the cancellation of such Award (it being understood that, in such event, any option or stock appreciation right having a per share exercise price equal to, or in excess of, the fair market value of a share subject to such option or stock appreciation right may be cancelled and terminated without any payment or consideration therefor).

Change in Control. Upon a “change of control” (as defined in the EIP), and unless the Administrator decides otherwise:

- Any Award then outstanding shall become fully vested and any restriction and forfeiture provisions thereon imposed pursuant to the EIP and the Award Agreement shall lapse and any Award in the form of an option or stock appreciation right shall be immediately exercisable.
- To the extent permitted by law and not otherwise limited by the terms of the EIP, the Administrator may amend any Award Agreement in such manner as it deems appropriate.
- An award recipient who is terminated or dismissed from their position for any reason other than “for cause” within one year of the change in control may, for a limited time, exercise any outstanding option or stock appreciation right, but only to the extent that the grantee was entitled to exercise the Award on the date of his or her termination of employment or consultancy/service relationship or dismissal from the Board of Directors.

Termination of Employment or Service. The consequences of the termination of a grantee’s employment, consulting arrangement, or membership on the Board of Directors will be determined by the Administrator in the terms of the relevant Award Agreement. Generally, the Administrator may modify these consequences. The Administrator can impose any forfeiture or vesting provisions in any Award Agreement.

2015, 2014, 2013 Grants

No awards were granted pursuant to the equity incentive plan during the year ended December 31, 2015, 2014 and 2013, but we issued shares directly to the directors, which was not part of the equity incentive program.

Item 7. Major Shareholders and Related Party Transactions

A. Major Shareholders

The following table sets forth information concerning ownership of our common shares as of April 22, 2016 by persons who beneficially own more than 5.0% of our outstanding common shares, each person who is a director of our company, each executive officer named in this annual report on Form 20-F and all directors and executive officers as a group.

Beneficial ownership of shares is determined under rules of the Securities and Exchange Commission (the “SEC”) and generally includes any shares over which a person exercises sole or shared voting or investment power. Except as indicated in the footnotes to this table and subject to community property laws where applicable, the persons named in the table have sole voting and investment power with respect to all shares shown as beneficially owned by them.

The numbers of shares and percentages of beneficial ownership are based on approximately 10,390,579 common shares outstanding on April 22, 2016. All common shares owned by the shareholders listed in the table below have the same voting rights as the other of our outstanding common shares.

The address for those individuals for which an address is not otherwise indicated is: c/o Globus Shipmanagement Corp., 128 Vouliagmenis Avenue, 3rd Floor, 166 74 Glyfada, Athens, Greece.

Name and address of beneficial owner	Number of common shares beneficially owned as of April 22, 2016	Percentage of common shares beneficially owned as of April 22, 2016
5% Beneficial Owners		
Broadbill Investment Partners, LLC (2)	582,131	5.6%
Officers and Directors		
George Feidakis (1)	5,204,475	50.1%
George Karageorgiou (former CEO)	354,184	3.4%
Amir Eilon	108,304	1.0%
Jeffrey O. Parry	29,884	0.3%
Athanasios Feidakis	457,902	4.4%
All executive officers and directors as a group (five persons)	6,154,749	59.2%

*Less than 1.0% of the outstanding shares.

(1) Mr. George Feidakis beneficially owns 4,724,475 of his common shares through Firment Trading Limited, a Cypriot company, for which he exercises sole voting and investment power through two companies that hold Firment Trading’s shares in trust for Mr. George Feidakis. Mr. George Feidakis beneficially owns 480,000 common shares through F.G. Europe S.A., a Greek company of which Mr. George Feidakis is the majority shareholder. Mr. George Feidakis and Firment Trading Limited disclaim beneficial ownership over such common shares except to the extent of their pecuniary interests in such shares.

(2)Based on information obtained in a schedule 13G/A, filed with the SEC on January 29, 2016, by Broadbill Investment Partners, LLC (“Broadbill Investment LLC”) and Broadbill Partners GP, LLC (“Broadbill Partners”, and together with Broadbill Investment LLC, the “Reporting Persons”) with respect to common shares of Globus Maritime Limited owned by Broadbill Partners, L.P., a Delaware limited partnership (“Broadbill LP”) and Broadbill Partners II, L.P., a limited partnership (“Broadbill II LP”). The address of the principal business office of each of the Reporting Persons is Broadbill Investment Partners, LLC, 20 W. 22nd Street, Suite 816, New York, New York 10010.

To the best of our knowledge, except as disclosed in the table above, we are not owned or controlled, directly or indirectly, by another corporation or by any foreign government. To the best of our knowledge, there are no agreements in place that could result in a change of control of us.

In the normal course of business, there have been institutional investors that buy and sell our shares. It is possible that significant changes in the percentage ownership of these investors will occur.

B. Related Party Transactions

Lease

During the 2015, 2014 and 2013 fiscal years, we incurred rents of \$195,000, \$234,000 and \$232,000, respectively, to Cyberonica S.A., a company owned by Mr. George Feidakis, for the rental of 350 square meters of office space for our operations. As of December 31, 2015, we owed \$191,000 of rent to Cyberonica S.A.

Employment of Relative of Mr. George Feidakis

In October 2011, we entered into an employment agreement with Mr. Athanasios Feidakis, the son of our chairman of the board of directors and largest beneficial shareholder, Mr. George Feidakis, to act in a non-managerial position. As of July 1, 2013, Mr. Athanasios Feidakis became a non-executive director of the Company and such employment agreement was terminated. Mr. George Karageorgiou resigned from the position of President, Chief Executive and Interim Chief Financial Officer and Director of Globus Maritime Limited on December 28, 2015, and Mr. Athanasios Feidakis was appointed as President, Chief Executive Officer and Chief Financial Officer as of the same day.

Firment Credit Facility

In December 2013, Globus Maritime Limited entered into a credit facility for up to \$4.0 million with Firment Trading Limited, a company related to us through common control, for the purpose of financing its general working capital needs. The Firment Credit Facility is unsecured and remains available until its final maturity date, originally at December 12, 2015, when Globus Maritime Limited must repay all drawn and outstanding amounts at that time. During December 2014 the credit limit of the facility increased from \$4.0 to \$8.0 million and its final maturity date was extended to April 29, 2016. During December 2015 the credit limit of the facility increased from \$8.0 to \$20.0 million and its final maturity date was extended to April 12, 2017. In December 2015, the Firment Credit Facility was assigned from Firment Trading Limited, a Cypriot company, to Firment Trading Limited, a Marshall Islands corporation, each of which is a company related to us through common control. We have the right to drawdown any amount up to \$20.0 million or prepay any amount, during the availability period in multiples of \$100,000. Any prepaid amount can be re-borrowed in accordance with the terms of the facility. Interest on drawn and outstanding amounts is charged at 5% per annum and no commitment fee is charged on the amounts remaining available and undrawn.

As of December 31, 2015 and 2014, the amounts drawn and outstanding with respect to the facility were \$14.6 and \$7.5 million, respectively. As of December 31, 2015, there was an amount of \$5.4 million available to be drawn under the Firment Credit Facility. Currently, \$15.9 million is outstanding with respect to this facility, and \$4.1 million may be drawn.

Silaner Credit Facility

In January 2016, Globus Maritime Limited entered into a credit facility for up to \$3.0 million with Silaner Investments Limited, a company related through common control, for the purpose of financing its general working capital needs. The Silaner Credit Facility is unsecured and remains available until its final maturity date at January 12, 2018, when Globus Maritime Limited must repay all drawn and outstanding amounts at that time. We have the right to drawdown any amount up to \$3.0 million or prepay any amount in multiples of \$100,000. Any prepaid amount can be re-borrowed in accordance with the terms of the facility. Interest on drawn and outstanding amounts is charged at 5% per annum and no commitment fee is charged on the amounts remaining available and undrawn. Currently, \$2.15 million is outstanding with respect to this facility, and \$0.85 million may be drawn.

Business Opportunities Agreement

In November 2010, Mr. George Feidakis entered into a business opportunities arrangement with us. Under this agreement, Mr. George Feidakis is required to disclose to us any business opportunities relating to dry bulk shipping that may arise during his service to us as a member of our board of directors that could reasonably be expected to be a business opportunity that we may pursue. Mr. George Feidakis agreed to disclose all such opportunities, and the material facts attendant thereto, to our board of directors for our consideration and if our board of directors fails to adopt a resolution regarding an opportunity within seven business days of disclosure, we will be deemed to have declined to pursue the opportunity, in which event Mr. George Feidakis will be free to pursue it. Mr. George Feidakis is also prohibited for six months after the termination of the agreement to solicit any of our or our subsidiaries’ senior employees or officers. Mr. George Feidakis’ obligations under the business opportunities agreement will also terminate when he no longer beneficially owns our shares representing at least 30% of the combined voting power of all our outstanding shares or any other equity, or no longer serves as our director. Mr. George Feidakis remains free to conduct his other businesses that are not related to dry bulk shipping.

Registration Rights Agreement

In November 2010, we entered into a registration rights agreement with Firment Trading Limited and Kim Holdings S.A., pursuant to which we granted to them and their affiliates (including Mr. George Feidakis and Mr. George Karageorgiou) and certain of their transferees, the right, under certain circumstances and subject to certain restrictions to require us to register under the Securities Act our common shares held by them. Under the registration rights agreement, these persons have the right to request us to register the sale of shares held by them on their behalf and may require us to make available shelf registration statements permitting sales of shares into the market from time to time over an extended period. In addition, these persons have the ability to exercise certain piggyback registration rights in connection with registered offerings requested by shareholders or initiated by us.

C. Interests of Experts and Counsel

Not Applicable.

Item 8. Financial Information

A. Consolidated Statements and Other Financial Information

See Item 18.

Legal Proceedings

We have not been involved in any legal proceedings which may have, or have had, a significant effect on our business, financial position, results of operations or liquidity, nor are we aware of any other proceedings that are pending or threatened which may have a significant effect on our business, financial position, results of operations or liquidity. From time to time, we may be subject to legal proceedings and claims in the ordinary course of business, principally personal injury and property casualty claims. We expect that these claims would be covered by insurance, subject to customary deductibles. Those claims, even if lacking merit, could result in the expenditure of significant financial and managerial resources.

Our Dividend Policy and Restrictions on Dividends

Our dividend policy is to pay to holders of our shares a variable quarterly dividend in excess of 50% of the net income of the previous quarter subject to any reserves our board of directors may from time to time determine are required. We believe this policy maintains an appropriate level of dividend cover taking into account the likely effects of the shipping cycle and the need to retain cash to reinvest in vessel acquisitions.

In calculating our dividend to holders of our shares, we exclude any gain on the sale of vessels and any unrealized gains or losses on derivatives. Our board of directors, in its discretion, can determine in the future whether any capital surpluses arising from vessel sales are included in the calculation of a dividend. Dividends will be paid in U.S. dollars equally on a per-share basis between our common shares and our Class B shares, to the extent any are issued and outstanding.

Our Remuneration Committee will also determine by unanimous resolution, in its sole discretion, when and to the extent dividends are paid to the holders of our Series A Preferred Shares.

We are a holding company, with no material assets other than the shares of our subsidiaries. Therefore, our ability to pay dividends depends on the earnings and cash flow of those subsidiaries and their ability to pay dividends to us. Additionally, the declaration and payment of any dividend is subject at all times to the discretion of our board of directors and will depend on, among other things, our earnings, financial condition and anticipated cash requirements and availability, additional acquisitions of vessels, restrictions in our debt arrangements, the provisions of Marshall Islands law affecting the payment of dividends to shareholders, required capital and drydocking expenditures, reserves established by our board of directors, increased or unanticipated expenses, a change in our dividend policy, additional borrowings and future issuances of securities, many of which are beyond our control.

Marshall Islands law generally prohibits the payment of dividends other than from surplus (retained earnings and the excess of consideration received from the sale of shares above the par value of the shares) or while a corporation is insolvent or would be rendered insolvent by the payment of such dividend.

We historically paid dividends to our common shareholders in amounts ranging from \$0.03 per share to \$0.50 per share. Historical dividend payments should not provide any promise or indication of future dividend payments.

No dividends were declared or paid on our common shares during the years ended December 31, 2015, 2014 and 2013.

Dividends declared and paid on our Series A Preferred Shares during the year ended December 31, 2015 are as follows:

2015	\$ per share	\$000's	Date declared	Date Paid
1st Preferred dividend	77.26	198	February 18, 2015	*
2nd Preferred dividend	97.39	250	December 21, 2015	*
		448		

* Settled with several payments, which final payment was made in January 2016.

Dividends declared and paid on our Series A Preferred shares during the year ended December 31, 2014 are as follows:

2014	\$ per share	\$000's	Date declared	Date Paid
1st Preferred dividend	86.54	223	May 9, 2014	May 13, 2014
2nd Preferred dividend	27.34	70	December 30, 2014	January 2, 2015
		293		

Dividends declared and paid on our Series A Preferred shares during the year ended December 31, 2013 are as follows:

2013	\$ per share	\$000's	Date declared	Date Paid
1st Preferred dividend	63.46	163	May 30, 2013	July 12, 2013
2nd Preferred dividend	65.20	167	December 27, 2013	January 15, 2014
		330		

Our loan agreements impose certain restrictions to us with respect to dividend payments to our common shareholders and on the holders of Series A Preferred shares. Please see “Item 5.B. Liquidity and Capital Resources—Indebtedness.”

B. Significant Changes

There have been no significant changes since the date of the annual consolidated financial statements included in this annual report on Form 20-F.

Item 9. The Offer and Listing

Our common shares began trading in the United Kingdom on the London Stock Exchange through the AIM on June 6, 2007 under the stock symbol “GLBS.L.” All such trades were conducted with pounds sterling. Our common shares were suspended from trading on the AIM as of November 24, 2010 and were delisted from the AIM on November 26, 2010.

On November 24, 2010, we redomiciled into the Marshall Islands pursuant to the BCA and a resale registration statement for our common shares was declared effective by the SEC. Once the resale registration statement was declared effective by the SEC, our common shares began trading on the Nasdaq Global Market under the ticker “GLBS.”

On April 11, 2016 our common shares began trading on the Nasdaq Capital Market and ceased trading on the Nasdaq Global Market, without a change in our ticker.

The following table lists the high and low sales prices on the Nasdaq Global Market and Nasdaq Capital Market, as applicable, for our common shares for the last six months; the last nine fiscal quarters; and the last five fiscal years.

Prices indicated below with respect to our common share price include inter-dealer prices, without retail mark up, mark down or commission and may not necessarily represent actual transactions. All prices are quoted in U.S. dollars.

Period Ended	High		Low	
Monthly				
From April 1, to April 22, 2016	\$	0.43	\$	0.25
March 2016	\$	0.22	\$	0.13
February 2016	\$	0.19	\$	0.08
January 2016	\$	0.21	\$	0.06
December 2015	\$	0.32	\$	0.15
November 2015	\$	0.64	\$	0.27
October 2015	\$	0.99	\$	0.74
Quarterly				
First Quarter 2016	\$	0.22	\$	0.06
Fourth Quarter 2015	\$	0.99	\$	0.15
Third Quarter 2015	\$	1.58	\$	0.97
Second Quarter 2015	\$	1.90	\$	1.14
First Quarter 2015	\$	2.54	\$	1.20
Fourth Quarter 2014	\$	3.40	\$	2.22
Third Quarter 2014	\$	3.62	\$	2.78
Second Quarter 2014	\$	4.29	\$	3.37
First Quarter 2014	\$	4.44	\$	2.98
Yearly				
2015	\$	2.54	\$	0.15
2014	\$	4.44	\$	2.22
2013	\$	4.21	\$	1.70
2012	\$	5.77	\$	1.48
2011	\$	10.92	\$	2.50

Item 10. Additional Information

A. Share Capital

Not Applicable.

B. Memorandum and Articles of Association

Purpose

Our objects and purposes, as provided in Section 1.3 of our articles of incorporation, are to engage in any lawful act or activity for which corporations may now or hereafter be organized under the BCA.

Common Shares and Class B Shares

Generally, Marshall Islands law provides that the holders of a class of stock of a Marshall Islands corporation are entitled to a separate class vote on any proposed amendment to the relevant articles of incorporation that would change the aggregate number of authorized shares or the par value of that class of shares or alter or change the powers, preferences or special rights of that class so as to affect them adversely. Except as described below, holders of our common shares and Class B shares will have equivalent economic rights, but holders of our common shares will be entitled to one vote per share and holders of our Class B shares will be entitled to 20 votes per share. Each holder of Class B shares (not including the Company and the Company’s subsidiaries) may convert, at its option, any or all of the Class B shares held by such holder into an equal number of common shares.

Except as otherwise provided by the BCA, holders of our common shares and Class B shares will vote together as a single class on all matters submitted to a vote of shareholders, including the election of directors.

The rights, preferences and privileges of holders of our shares are subject to the rights of the holders of any preferred shares that have been issued and which we may issue in the future.

Holders of our common shares do not have conversion, redemption or pre-emptive rights to subscribe to any of our securities.

There is no limitation on the right to own securities or the rights of non-resident shareholders to hold or exercise voting rights on our securities under Marshall Islands law or our articles of incorporation or bylaws.

Preferred Shares

Our articles of incorporation authorize our board of directors to establish and issue up to 100 million preferred shares and to determine, with respect to any series of preferred shares, the rights and preferences of that series, including:

- the designation of the series;
- the number of preferred shares in the series;
- the preferences and relative participating option or other special rights, if any, and any qualifications, limitations or restrictions of such series; and
- the voting rights, if any, of the holders of the series (subject to terms set forth below with regard to the policy of our board of directors regarding preferred shares).

In April 2012 we issued an aggregate of 3,347 Series A Preferred Shares to our two executive officers, and 2,567 Series A Preferred Shares remain outstanding. The holders of our Series A Preferred Shares will be entitled to receive, if funds are legally available, dividends payable in cash in an amount per share to be determined by unanimous resolution of our Remuneration Committee, in its sole discretion. Our board of directors or Remuneration Committee will determine whether funds are legally available under the BCA for such dividend. Any accrued but unpaid dividends will not bear interest. Except as may be provided in the BCA, holders of our Series A Preferred Shares do not have any voting rights. Upon our liquidation, dissolution or winding up, the holders of our Series A Preferred Shares will be entitled to a preference in the amount of the declared and unpaid dividends, if any, as of the date of liquidation, dissolution or winding up. Our Series A Preferred Shares are not convertible into any of our other capital stock.

The Series A Preferred Shares are redeemable at the written request of the Remuneration Committee, at par value plus all declared and unpaid dividends as of the date of redemption plus any additional consideration determined by a unanimous resolution of the Remuneration Committee. We redeemed and cancelled 780 Series A Preferred Shares in January 2013.

Liquidation

In the event of our dissolution, liquidation or winding up, whether voluntary or involuntary, after payment in full of the amounts, if any, required to be paid to our creditors and the holders of preferred shares, our remaining assets and funds shall be distributed pro rata to the holders of our common shares and Class B shares, and the holders of common shares and the holders of Class B shares shall be entitled to receive the same amount per share in respect thereof.

Dividends

Declaration and payment of any dividend is subject to the discretion of our board of directors. The timing and amount of dividend payments to holders of our shares will depend on a series of factors and risks described under “Item 3.D. Risk Factors,” and includes risks relating to earnings, financial condition, cash requirements and availability, restrictions in our current and future loan arrangements, the provisions of the Marshall Islands law affecting the payment of dividends and other factors. The BCA generally prohibits the payment of dividends other than from surplus or while we are insolvent or if we would be rendered insolvent upon paying the dividend.

Subject to preferences that may apply to any shares of preferred stock outstanding at the time, the holders of our common shares and Class B shares will be entitled to share equally in any dividends that our board of directors may declare from time to time out of funds legally available for dividends.

Conversion

Our common shares will not be convertible into any other shares of our capital stock. Each of our Class B shares will be convertible at any time at the election of the holder thereof into one of our common shares on a one-for-one basis. We will not reissue or resell any Class B shares that shall have been converted into common shares.

Directors

Our directors will be elected by the vote of the plurality of the votes cast by holders with voting power of our voting shares. Our articles of incorporation provide that our board of directors must consist of at least three members. Shareholders may change the number of directors only by the affirmative vote of holders of a majority of the total voting power of our outstanding capital stock (subject to the rights of any holders of preferred shares). The board of directors may change the number of directors by a majority vote of the entire board of directors.

No contract or transaction between us and one or more of our directors or officers will be void or voidable solely for this reason, or solely because the director or officer is present at or participates in the meeting of our board of directors or committee thereof which authorizes the contract or transaction, or solely because his or her or their votes are counted for such purpose, if (1) the material facts as to such director’s interest in such contract or transaction and as to any such common directorship, officership or financial interest are disclosed in good faith or known to the board of directors or committee, and the board of directors or committee approves such contract or transaction by a vote sufficient for such purpose without counting the vote of such interested director, or, if the votes of the disinterested directors are insufficient to constitute an act of the board, by unanimous vote of the disinterested directors; or (2) the material facts as to such director’s interest in such contract or transaction and as to any such common directorship, officership or financial interest are disclosed in good faith or known to the shareholders entitled to vote thereon, and such contract or transaction is approved by vote of such shareholders.

Our board of directors has the authority to fix the compensation of directors for their services.

Classified Board of Directors

Our articles of incorporation provide for a board of directors serving staggered, three-year terms. Approximately one-third of our board of directors will be elected each year.

Removal of Directors; Vacancies

Our articles of incorporation provide that directors may be removed with or without cause upon the affirmative vote of holders of a majority of the total voting power of our outstanding capital stock. Our bylaws require parties to provide advance written notice of nominations for the election of directors other than the board of directors and shareholders holding 30% or more of the voting power of the aggregate number of our shares issued and outstanding and entitled to vote.

No Cumulative Voting

The BCA provides that shareholders are not entitled to the right to cumulate votes in the election of directors unless our articles of incorporation provide otherwise. Our articles of incorporation prohibit cumulative voting.

Shareholder Meetings

Under our bylaws, annual shareholder meetings will be held at a time and place selected by our board of directors. The meetings may be held in or outside of the Marshall Islands. Special meetings may be called by the chairman of our board of directors, by resolution of our board of directors or by holders of 30% or more of the voting power of the aggregate number of our shares issued and outstanding and entitled to vote at such meeting. Our board of directors may set a record date between 15 and 60 days before the date of any meeting to determine the shareholders that will be eligible to receive notice and vote at the meeting.

Dissenters’ Right of Appraisal and Payment

Under the BCA, our shareholders have the right to dissent from various corporate actions, including certain amendments to our articles of incorporation and certain mergers or consolidations or the sale of all or substantially all of our assets not made in the usual course of our business, and receive payment of the fair value of their shares, subject to exceptions. For example, the right of a dissenting shareholder to receive payment of the fair value of his shares is not available if for the shares of any class or series of stock, which shares at the record date fixed to determine the shareholders entitled to receive notice of and vote at the meeting of shareholders to act upon the agreement of merger or consolidation, were either (1) listed on a securities exchange or admitted for trading on an interdealer quotation system or (2) held of record by more than 2,000 holders. In the event of any further amendment of our articles of incorporation, a shareholder also has the right to dissent and receive payment for his or her shares if the amendment alters certain rights in respect of those shares. The dissenting shareholder must follow the procedures set forth in the BCA to receive payment. In the event that we and any dissenting shareholder fail to agree on a price for the shares, the BCA procedures involve, among other things, the institution of proceedings in the high court of the Republic of the Marshall Islands or in any appropriate court in any jurisdiction in which our shares are primarily traded on a local or national securities exchange to fix the value of the shares.

Shareholders’ Derivative Actions

Under the BCA, any of our shareholders may bring an action in our name to procure a judgment in our favor, also known as a derivative action, provided that the shareholder bringing the action is a holder of common shares or a beneficial interest therein both at the time the derivative action is commenced and at the time of the transaction to which the action relates or that the shares devolved upon the shareholder by operation of law.

Amendment to our Articles of Incorporation

Except as otherwise provided by law, any provision in our articles of incorporation requiring a vote of shareholders may only be amended by such a vote. Further, certain sections may only be amended by affirmative vote of the holders of at least a majority of the voting power of the voting shares.

Anti-Takeover Effects of Certain Provisions of our Articles of Incorporation and Bylaws

Mr. George Feidakis, the chairman of our board of directors, owns beneficially a majority of our total outstanding common shares, and can effectively block any change in control. Nonetheless, we note that certain provisions of our articles of incorporation and bylaws, which are summarized in the following paragraphs, may have an anti-takeover effect and may delay, defer or prevent a takeover attempt or hostile change of control that a shareholder may consider in its best interest, including those attempts that may result in a premium over the market price for our common shares held by shareholders.

Multiple Classes of Shares

Should we issue any, our Class B shares will have 20 votes per share, while our common shares, which is the only class of shares listed on an established U.S. securities exchange, will have one vote per share. Our board of directors also has authority under our articles of incorporation to issue blank check preferred shares. Because of this share structure, any issuance of Class B shares or preferred shares may cause such holders to be able to significantly influence matters submitted to our shareholders for approval even if such holders and their affiliates come to own significantly less than 50% of the aggregate number of outstanding common shares, Class B shares, and preferred shares. This control over shareholder voting could discourage others from initiating any potential merger, takeover or other change of control transaction that other shareholders may view as beneficial and which would require shareholder approval.

Blank Check Preferred Shares

Under the terms of our articles of incorporation, our board of directors has authority, without any further vote or action by our shareholders, to issue up to 100 million shares of blank check preferred shares. We currently have outstanding 2,567 Series A Preferred Shares. Except as may be provided in the BCA, holders of our Series A Preferred Shares do not have any voting rights.

Classified Board of Directors

Our articles of incorporation provide for a board of directors serving staggered, three-year terms. Approximately one-third of our board of directors will be elected each year. This classified board of directors 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 the board of directors from removing a majority of the board of directors for two years.

No Cumulative Voting

The BCA provides that shareholders are not entitled to the right to cumulate votes in the election of directors unless our articles of incorporation provide otherwise. Our articles of incorporation prohibit cumulative voting.

Calling of Special Meetings of Shareholders

Our bylaws provide that special meetings of our shareholders may be called only by the chairman of our board of directors, by resolution of our board of directors or by holders of 30% or more of the voting power of the aggregate number of our shares issued and outstanding and entitled to vote at such meeting.

Advance Notice Requirements for Shareholder Proposals and Director Nominations

Our bylaws provide that, with a few exceptions, shareholders seeking to nominate candidates for election as directors or to bring business before an annual meeting of shareholders must provide timely notice of their proposal in writing to the corporate secretary.

Generally, to be timely, a shareholder’s notice must be received at our principal executive offices not less than 150 days nor more than 180 days prior to the first anniversary date of the immediately preceding annual meeting of shareholders. Our bylaws also specify requirements as to the form and content of a shareholder’s notice. These provisions may impede shareholders’ ability to bring matters before an annual meeting of shareholders or make nominations for directors at an annual meeting of shareholders.

Business Combinations

Although the BCA does not contain specific provisions regarding “business combinations” between corporations incorporated under or redomiciled pursuant to the laws of the Marshall Islands and “interested shareholders,” our articles of incorporation prohibit us from engaging in a business combination with an interested shareholder for a period of three years following the date of the transaction in which the person became an interested shareholder, unless, in addition to any other approval that may be required by applicable law:

- prior to the date of the transaction that resulted in the shareholder becoming an interested shareholder, our board of directors approved either the business combination or the transaction that resulted in the shareholder becoming an interested shareholder;

- upon consummation of the transaction that resulted in the shareholder becoming an interested shareholder, the interested shareholder owned at least 85.0% of our voting shares outstanding at the time the transaction commenced, excluding for purposes of determining the number of shares outstanding those shares owned by (1) persons who are directors and officers and (2) employee stock plans in which employee participants do not have the right to determine confidentially whether shares held subject to the plan will be tendered in a tender or exchange offer; or
- at or after the date of the transaction that resulted in the shareholder becoming an interested shareholder, the business combination is approved by our board of directors and authorized at an annual or special meeting of shareholders, and not by written consent, by the affirmative vote of at least 66-2/3% of the voting power of the voting shares that are not owned by the interested shareholder.

Among other transactions, a “business combination” includes any merger or consolidation of us or any directly or indirectly majority-owned subsidiary of ours with (1) the interested shareholder or any of its affiliates or (2) with any corporation, partnership, unincorporated association or other entity if the merger or consolidation is caused by the interested shareholder. Generally, an “interested shareholder” is any person or entity (other than us and any direct or indirect majority-owned subsidiary of ours) that:

- owns 15.0% or more of our outstanding voting shares;
- is an affiliate or associate of ours and was the owner of 15.0% or more of our outstanding voting shares at any time within the three-year period immediately prior to the date on which it is sought to be determined whether such person is an interested shareholder; or
- is an affiliate or associate of any person listed in the first two bullets, except that any person who owns 15.0% or more of our outstanding voting shares, as a result of action taken solely by us will not be an interested shareholder unless such person acquires additional voting shares, except as a result of further action by us and not caused, directly or indirectly, by such person.

Additionally, the restrictions regarding business combinations do not apply to persons that became interested shareholders prior to the effectiveness of our articles of incorporation.

Limitations on Liability and Indemnification of Directors and Officers

The BCA authorizes corporations to limit or eliminate the personal liability of directors to corporations and their shareholders for monetary damages for breaches of certain directors’ fiduciary duties. Our articles of incorporation include a provision that eliminates the personal liability of directors for monetary damages for breach of fiduciary duty as a director to the fullest extent permitted by law (other than breach of duty of loyalty, acts not taken in good faith or which involve intentional misconduct or a knowing violation of law or transactions for which the director derived an improper personal benefit) and provides that we must indemnify our directors and officers to the fullest extent authorized by law. We are also expressly authorized to advance certain expenses to our directors and officers and expect to carry directors’ and officers’ insurance providing indemnification for our directors and officers for some liabilities. We believe that these indemnification provisions and the directors’ and officers’ insurance are useful to attract and retain qualified directors and executive officers.

The limitation of liability and indemnification provisions in our articles of incorporation may discourage shareholders from bringing a lawsuit against our directors for breach of their fiduciary duty. These provisions may also have the effect of reducing the likelihood of derivative litigation against directors and officers, even though such an action, if successful, may otherwise benefit us and our shareholders. In addition, an investor in our common shares may be adversely affected to the extent we pay the costs of settlement and damage awards against directors and officers pursuant to these indemnification provisions.

There is no pending material litigation or proceeding involving any of our directors, officers or employees for which indemnification is sought.

C. Material Contracts

We refer you to “Item 7.B. Related Party Transactions” for a discussion of our agreements with companies related to us. We also refer you to “Item 4. Information on the Company,” “Item 5.B. Liquidity and Capital Resources—Indebtedness” and “Item 6.E. Share Ownership—Incentives Program” for a description of other material contracts.

Other than these agreements, we have no material contracts, other than contracts entered into in the ordinary course of business, to which the Company or any member of the group is a party.

D. Exchange Controls

Under Marshall Islands law, there are currently no restrictions on the export or import of capital, including foreign exchange controls or restrictions that affect the remittance of dividends, interest or other payments to holders of our common shares that are neither residents nor citizens of the Marshall Islands.

E. Taxation

Marshall Islands Tax Considerations

The following is applicable only to persons who are not citizens of and do not reside in, maintain offices in or engage in business in the Marshall Islands.

Because we do not, and we do not expect that we or any of our future subsidiaries will, conduct business or operations in the Marshall Islands, and because we anticipate that all documentation related to any offerings of our securities will be executed outside of the Marshall Islands, under current Marshall Islands law our shareholders will not be subject to Marshall Islands taxation or withholding tax on our distributions. In addition, our shareholders will not be subject to Marshall Islands stamp, capital gains or other taxes on the purchase, ownership or disposition of our common shares, and our shareholders will not be required by the Marshall Islands to file a tax return related to our common shares.

Malta Tax Considerations

One of our subsidiaries is incorporated in Malta, which imposes taxes on us that are immaterial to our operations.

Greek Tax Considerations

In January 2013, a tax law 4110/2013 amended the long-standing provisions of art. 26 of law 27/1975 by imposing a fixed annual tonnage tax on vessels flying a foreign (i.e., non-Greek) flag which are managed by a Law 89 company, establishing an identical tonnage tax regime as the one already in force for vessels flying the Greek flag. This tax varies depending on the size of the vessel, calculated in gross registered tonnage, as well as on the age of each vessel. Payment of this tonnage tax completely satisfies all income tax obligations of both the shipowning company and of all its shareholders up to the ultimate beneficial owners. Any tax payable to the state of the flag of each vessel as a result of its registration with a foreign flag registry (including the Marshall Islands) is subtracted from the amount of tonnage tax due to the Greek tax authorities.

United States Tax Considerations

This discussion of United States federal income taxes is based upon provisions of the Code, existing final, temporary and proposed regulations thereunder and current administrative rulings and court decisions, all as in effect on the effective date of this annual report on Form 20-F and all of which are subject to change, possibly with retroactive effect. Changes in these authorities may cause the tax consequences to vary substantially from the consequences described below. No rulings have been or are expected to be sought from the IRS with respect to any of the United States federal income tax consequences discussed below, and no assurance can be given that the IRS will not take contrary positions.

Further, the following summary does not deal with all United States federal income tax consequences applicable to any given holder of our common shares, nor does it address the United States federal income tax considerations applicable to categories of investors subject to special taxing rules, such as expatriates, banks, real estate investment trusts, regulated investment companies, insurance companies, tax-exempt organizations, dealers or traders in securities or currencies, partnerships, S corporations, estates and trusts, investors that hold their common shares as part of a hedge, straddle or an integrated or conversion transaction, investors whose “functional currency” is not the United States dollar or investors that own, directly or indirectly, 10% or more of our stock by vote or value. Furthermore, the discussion does not address alternative minimum tax consequences or estate or gift tax consequences, or any state tax consequences, and is limited to shareholders that will hold their common shares as “capital assets” within the meaning of Section 1221 of the Code. Each shareholder is encouraged to consult, and discuss with his or her own tax advisor the United States federal, state, local and non-United States tax consequences particular to him or her of the acquisition, ownership or disposition of common shares. Further, it is the responsibility of each shareholder to file all state, local and non-U.S., as well as U.S. federal, tax returns that may be required of it.

United States Federal Income Taxation of the Company

Taxation of Operating Income

Unless exempt from United States federal income taxation under the rules described below in “—The Section 883 Exemption,” a foreign corporation that earns only transportation income is generally subject to United States federal income taxation under one of two alternative tax regimes: (1) the 4% gross basis tax or (2) the net basis tax and branch profits tax. The Company is a Marshall Islands corporation and its subsidiaries are incorporated in the Marshall Islands or Malta. There is no comprehensive income tax treaty between the Marshall Islands and the United States, so the Company and its Marshall Islands subsidiaries cannot claim an exemption from this tax under a treaty.

The 4% Gross Basis Tax

The United States imposes a 4% United States federal income tax (without allowance of any deductions) on a foreign corporation’s United States source gross transportation income to the extent such income is not treated as effectively connected with the conduct of a United States trade or business. For this purpose, transportation income includes income from the use, hiring or leasing of a vessel, or the performance of services directly related to the use of a vessel (and thus includes time charter, spot charter and bareboat charter income). The United States source portion of transportation income is 50% of the income attributable to voyages that begin or end, but not both begin and end, in the United States. As a result of this sourcing rule the effective tax rate is 2% of the gross income attributable to U.S. voyages. Generally, no amount of the income from voyages that begin and end outside the United States is treated as United States source, and consequently none of the transportation income attributable to such voyages is subject to this 4% tax. (Although the entire amount of transportation income from voyages that begin and end in the United States would be United States source, neither the Company nor any of its subsidiaries expects to have any transportation income from voyages that both begin and end in the United States.)

The Net Basis Tax and Branch Profits Tax

The Company and each of its subsidiaries do not expect to engage in any activities in the United States (other than port calls of its vessels) or otherwise have a fixed place of business in the United States. Consequently, the Company and its subsidiaries are not expected to be subject to the net basis or branch profits taxes. Nonetheless, if this situation were to change or if the Company or a subsidiary of the Company were to be treated as engaged in a United States trade or business, all or a portion of the Company’s or such subsidiary’s taxable income, including gain from the sale of vessels, could be treated as effectively connected with the conduct of this United States trade or business, or effectively connected income. Any effectively connected income, net of allowable deductions, would be subject to United States federal corporate income tax (with the highest statutory rate currently being 35%). In addition, an additional 30% branch profits tax would be imposed on the Company or such subsidiary at such time as the Company’s or such subsidiary’s after-tax effectively connected income is deemed to have been repatriated to the Company’s or subsidiary’s offshore office.

The 4% gross basis tax described above is inapplicable to income that is treated as effectively connected income. A non-United States corporation’s United States source transportation income would be considered to be effectively connected income only if the non-United States corporation has or is treated as having a fixed place of business in the United States involved in the earning of the transportation income and substantially all of its United States source transportation income is attributable to regularly scheduled transportation (such as a published schedule with repeated sailings at regular intervals between the same points for voyages that begin or end in the United States), or in the case of leasing income (such as bareboat charter income) is attributable to such fixed place of business. The Company and its vessel-owning subsidiaries believe that their vessels will not operate to and from the United States on a regularly scheduled basis. Based on the intended mode of shipping operations and other activities, the Company and its vessel-owning subsidiaries do not expect to have any effectively connected income.

The Section 883 Exemption

Both the 4% gross basis tax and the net basis and branch profits taxes described above are inapplicable to transportation income that qualifies for the Section 883 Exemption. To qualify for the Section 883 Exemption a foreign corporation must, among other things:

- be organized in a jurisdiction outside the United States that grants an equivalent exemption from tax to corporations organized in the United States (an “Equivalent Exemption”);
- satisfy one of the following three ownership tests (discussed in more detail below): (1) the more than 50% ownership test, or 50% Ownership Test, (2) the controlled foreign corporation test, or CFC Test, or (3) the “Publicly Traded Test”; and
- meet certain substantiation, reporting and other requirements (which include the filing of United States income tax returns).

The Company is a Marshall Islands corporation, and each of the vessels in its fleet is owned by a separate wholly owned subsidiary organized in the Marshall Islands or Malta. The U.S. Department of the Treasury recognizes the Marshall Islands and Malta as jurisdictions which grant an Equivalent Exemption; therefore, the Company and each of its vessel-owning subsidiaries meets the first requirement for the Section 883 Exemption.

The 50 % Ownership Test

In order to satisfy the 50% Ownership Test, a non-United States corporation must be able to substantiate that more than 50% of the value of its shares is owned, directly or indirectly, by “qualified shareholders.” For this purpose, qualified shareholders are: (1) individuals who are residents (as defined in the Treasury regulations promulgated under Section 883 of the Code, or Section 883 Regulations) of countries, other than the United States, that grant an Equivalent Exemption, (2) non-United States corporations that meet the Publicly Traded Test of the Section 883 Regulations and are organized in countries that grant an Equivalent Exemption, or (3) certain foreign governments, non-profit organizations, and certain beneficiaries of foreign pension funds. In order for a shareholder to be a qualified shareholder, there generally cannot be any bearer shares in the chain of ownership between the shareholder and the taxpayer claiming the exemption (unless such bearer shares are maintained in a dematerialized or immobilized book-entry system as permitted under the Section 883 Regulations). A corporation claiming the Section 883 Exemption based on the 50% Ownership Test must obtain all the facts necessary to satisfy the IRS that the 50% Ownership Test has been satisfied (as detailed in the Section 883 Regulations). For the taxable year ended December 31, 2015, the Company believes that each of its vessel-owning subsidiaries satisfied the 50% Ownership Test based on the beneficial ownership of more than 50% of the value of its shares by a qualifying shareholder, assuming that such shareholder meets all of the substantiation and reporting requirements under Section 883 of the Code and the Section 883 Regulations for such taxable year, and that each such subsidiary should therefore qualify for the Section 883 Exemption for such taxable year.

The CFC Test

The CFC Test requires that a non-United States corporation be treated as a controlled foreign corporation, or a CFC, for United States federal income tax purposes for more than half of the days in the taxable year. A CFC is a foreign corporation, more than 50% of the vote or value of which is owned by significant U.S. shareholders (meaning U.S. persons who own at least 10% of the voting power of the foreign corporation). In addition, more than 50% of the value of the shares of the CFC must be owned by qualifying U.S. persons for more than half of the days during the taxable year concurrent with the period of time that the company qualifies as a CFC. For this purpose, a qualifying U.S. person is defined as a U.S. citizen or resident alien, a domestic corporation or domestic tax-exempt trust, in each case, if such U.S. person provides the company claiming the exemption with an ownership statement. The Company does not believe that the requirements of the CFC Test will be met in the near future with respect to the Company or any of its subsidiaries.

The Publicly Traded Test

The Publicly Traded Test requires that one or more classes of equity representing more than 50% of the voting power and value in a non-United States corporation be “primarily and regularly traded” on an established securities market either in the United States or in a foreign country that grants an Equivalent Exemption. The Section 883 Regulations provide, in relevant part, that the shares of a non-United States corporation will be considered to be “primarily traded” on an established securities market in a country if the number of shares of each class of shares that are traded during any taxable year on all established securities markets in that country exceeds the number of shares in each such class that are traded during that year on established securities markets in any other single country. The Section 883 Regulations also generally provide that shares will be considered to be “regularly traded” on an established securities market if one or more classes of shares in the corporation representing in the aggregate more than 50% of the total combined voting power and value of all classes of shares of the corporation are listed on an established securities market. Also, with respect to each class relied upon to meet this requirement (1) such class of shares must be traded on the market, other than in minimal quantities, on at least 60 days during the taxable year or one-sixth of the days in a short taxable year, and (2) the aggregate number of shares of such class of shares traded on such market during the taxable year is at least 10% of the average number of shares of such class of shares outstanding during such year or as adjusted for a short taxable year. These two tests are deemed to be satisfied if such class of shares is traded on an established market in the United States and such shares are regularly quoted by dealers making a market in such shares.

Notwithstanding the foregoing, the Section 883 Regulations provide, in relevant part, that a class of shares will not be considered to be “regularly traded” on an established securities market for any taxable year in which 50% or more of the vote and value of the outstanding shares of such class are owned, actually or constructively under specified share attribution rules, on more than half the days during the taxable year by persons who each own 5% or more of the vote and value of such class of outstanding shares, to which we refer as the 5 Percent Override Rule.

For purposes of being able to determine the person who actually or constructively own 5% or more of the vote and value of the Company’s common shares, or 5% Shareholders, the Section 883 Regulations permit a company whose stock is traded on an established securities market in the United States to rely on those persons that are identified on Schedule 13G and Schedule 13D filings with the SEC, as owning 5% or more of the company’s common shares.

In the event the 5 Percent Override Rule is triggered, the Section 883 Regulations provide that such rule will not apply if the Company can establish that within the group of 5% Shareholders, there are sufficient qualified shareholders within the meaning of Section 883 and the Section 883 Regulations to preclude non-qualified shareholders in such group from owning 50% or more of the total value of the Company’s common shares for more than half the number of days during the taxable year.

The Company and its vessel-owning subsidiaries should satisfy the 50% Ownership Test. It is also possible that the Company satisfies the Publicly Traded Test. However, if the Company’s common shares are delisted (as described in “Item 3.D. Risk Factors—Company Specific Risk Factors—Our common shares may be delisted from Nasdaq, which could affect its market price and liquidity”), the Publicly Traded Test generally would not be met. The stock in the Company’s vessel-owning subsidiaries is not publicly traded, but if the Company meets the Publicly Traded Test described above, the Company also may be a qualifying shareholder for purposes of applying the 50% Ownership Test as to any subsidiary claiming the Section 883 Exemption. However, if for any period after the Company issues the Class B shares, the common shares represent less than 50% of the voting power of the Company, the Company would not be able to satisfy the Publicly Traded Test for such period because less than 50% of the stock of the Company, measured by voting power, would be listed on an established securities market.

A foreign corporation can only claim the Section 883 Exemption if it receives the ownership statements required under the Section 883 Regulations certifying as to the matters required to satisfy the relevant ownership test. Each of our vessel-owning subsidiaries has received, or expects to receive, ownership statements, valid for the year ended December 31, 2015, certifying the qualifying shareholder status of a shareholder beneficially owning more than 50% of the value of each such subsidiary’s stock and the status of intermediaries as required to support a claim by each vessel-owning subsidiary of the Section 883 Exemption.

Each of the Company’s vessel-owning subsidiaries has claimed the Section 883 Exemption on the basis that it satisfies the 50% Ownership Test and the Company intends to continue to comply with the substantiation, reporting and other requirements that are applicable under Section 883 of the Code to enable such subsidiaries to claim the exemption on this basis.

In the future, if the shareholders or the relative ownership in the Company changes, if the Company believes that it (or its subsidiaries) can qualify for the Section 883 Exemption, each shareholder who is or may be a qualifying person will be asked to provide to the Company an ownership statement for purposes of substantiating the relevant company’s entitlement to the exemption. An ownership statement is required to be signed by the shareholder under penalties of perjury and contains information regarding the residence of the shareholder and its ownership in the company claiming the Section 883 Exemption. If the Company or a subsidiary needs to obtain additional ownership statements in order to establish a Section 883 Exemption, there is no guarantee that shareholders representing a sufficient ownership interest in the Company or any of its subsidiaries will provide ownership statements to the relevant company so that it will satisfy any of the Section 883 ownership tests and the Section 883 Exemption would not apply to the Company. If in future years the shareholders fail to update or correct such statements, the Company and its subsidiaries may be unable to continue to qualify for the Section 883 Exemption.

A corporation’s qualification for the Section 883 Exemption is determined for each taxable year. If the Company and/or its subsidiaries were not to qualify for the Section 883 Exemption in any year, the United States income taxes that become payable would have a negative effect on the business of the Company and its subsidiaries, and would result in decreased earnings available for distribution to the Company’s shareholders.

United States Taxation of Gain on Sale of Vessels

If the Company’s subsidiaries qualify for the Section 883 Exemption, then gain from the sale of any vessel would be exempt from tax under Section 883. If, however, the gain is not exempt from tax under Section 883, the Company will not be subject to United States federal income taxation with respect to such gain provided that the income from the vessel has never constituted effectively connected income and that the sale is considered to occur outside of the United States under United States federal income tax principles. In general, a sale of a vessel will be considered to occur outside of the United States for this purpose if title to the vessel, and risk of loss with respect to the vessel, pass to the buyer outside of the United States. To the extent possible, the Company will attempt to structure any sale of a vessel so that it is considered to occur outside of the United States.

United States Federal Income Taxation of United States Holders

As used herein, “United States Holder” means a beneficial owner of the Company’s common shares that is an individual citizen or resident of the United States for United States federal income tax purposes, a corporation or other entity taxable as a corporation created or organized in or under the laws of the United States or any state thereof (including the District of Columbia), an estate the income of which is subject to United States federal income taxation regardless of its source or a trust where a court within the United States is able to exercise primary supervision over the administration of the trust and one or more United States persons (as defined in the Code) have the authority to control all substantial decisions of the trust (or a trust that has made a valid election under U.S. Department of the Treasury regulations to be treated as a domestic trust). A “Non-United States Holder” generally means any owner (or beneficial owner) of common shares that is not a United States Holder, other than a partnership. If a partnership holds common shares, the tax treatment of a partner will generally depend upon the status of the partner and upon the activities of the partnership. Partners of partnerships holding common shares should consult their own tax advisors regarding the tax consequences of an investment in the common shares (including their status as United States Holders or Non-United States Holders).

Distributions

Subject to the discussion of PFICs below, any distributions made by the Company with respect to the common shares to a United States Holder will generally constitute dividends, which may be taxable as ordinary income or qualified dividend income as described in more detail below, to the extent of the Company’s current or accumulated earnings and profits as determined under United States federal income tax principles. Distributions in excess of the Company’s earnings and profits will be treated as a nontaxable return of capital to the extent of the United States Holder’s tax basis in its common shares and, thereafter, as capital gain. United States Holders that are corporations generally will not be entitled to claim a dividends received deduction with respect to any distributions they receive from us.

Dividends paid in respect of the Company’s common shares may qualify for the preferential rate attributable to qualified dividend income if: (1) the common shares are readily tradable on an established securities market in the United States; (2) the Company is not a PFIC for the taxable year during which the dividend is paid or in the immediately preceding taxable year; (3) the United States Holder has owned the common shares for more than 60 days in the 121-day period beginning 60 days before the date on which the common shares become ex-dividend and (4) the United States Holder is not under an obligation to make related payments with respect to positions in substantially similar or related property. The first requirement currently is and has been met, as our common shares were listed on the Nasdaq Global Market until they became listed on the Nasdaq Capital Market with effect from April 11, 2016. Both the Nasdaq Global Market and the Nasdaq Capital Market are tiers of the Nasdaq Stock Market, which is an established securities market. Further, there is no minimal trading requirement for shares to be “readily tradable,” so as long as our common shares remain listed on the Nasdaq Capital Market or the Nasdaq Global Market or any other established securities market in the United States, the first requirement will be satisfied. However, if our common shares are delisted and are not tradable on an established securities market in the United States (as described in “Item 3.D. Risk Factors—Company Specific Risk Factors—Our common shares may be delisted from Nasdaq, which could affect its market price and liquidity”), the first requirement would not be satisfied, and dividends paid in respect of our common shares would not qualify for the preferential rate attributable to qualified dividend income. The second requirement is expected to be met as more fully described below under “—Consequences of Possible PFIC Classification.” Satisfaction of the final two requirements will depend on the particular circumstances of each United States Holder. Consequently, if any of these requirements are not met, the dividends paid to individual United States Holders in respect of the Company’s common shares would not be treated as qualified dividend income and would be taxed as ordinary income at ordinary rates.

Amounts taxable as dividends generally will be treated as income from sources outside the United States and will, depending on your circumstances, be “passive” or “general” income which, in either case, is treated separately from other types of income for purposes of computing the foreign tax credit allowable to you. However, if (1) the Company is 50% or more owned, by vote or value, by United States persons and (2) at least 10% of the Company’s earnings and profits are attributable to sources within the United States, then for foreign tax credit purposes, a portion of our dividends would be treated as derived from sources within the United States. Under such circumstances, with respect to any dividend paid for any taxable year, the United States source ratio of the Company’s dividends for foreign tax credit purposes would be equal to the portion of the Company’s earnings and profits from sources within the United States for such taxable year, divided by the total amount of the Company’s earnings and profits for such taxable year.

Consequences of Possible PFIC Classification

A non-United States entity treated as a corporation for United States federal income tax purposes will be a PFIC in any taxable year in which, after taking into account the income and assets of the corporation and certain subsidiaries pursuant to a “look through” rule, either: (1) 75% or more of its gross income is “passive” income or (2) 50% or more of the average value of its assets is attributable to assets that produce passive income or are held for the production of passive income. If a corporation is a PFIC in any taxable year that a person holds shares in the corporation (and was not a qualified electing fund with respect to such year, as discussed below), the shares held by such person will be treated as shares in a PFIC for all future years (absent an election which, if made, may require the electing person to pay taxes in the year of the election). A United States Holder of shares in a PFIC would be required to file an annual information return on IRS Form 8621 containing information regarding the PFIC as required by U.S. Department of the Treasury regulations.

While there are legal uncertainties involved in this determination, including as a result of adverse case law described herein, based upon the Company’s and its subsidiaries’ expected operations as described herein and based upon the current and expected future activities and operations of the Company and its subsidiaries, the income of the Company and such subsidiaries from time charters should not constitute “passive income” for purposes of applying the PFIC rules, and the assets that the Company owns for the production of this time charter income should not constitute passive assets for purposes of applying the PFIC rules.

Although there is no legal authority directly on point, this view is based principally on the position that the gross income that the Company and its subsidiaries derive from time charters constitutes services income rather than passive rental income. The Fifth Circuit Court of Appeals decided in *Tidewater Inc. v. United States*, 565 F.3d 299 (5th Cir., 2009) that a typical time charter is a lease, and not a contract for the provision of transportation services. In that case, the court was considering a tax issue that turned on whether the taxpayer was a lessor where a vessel was under a time charter, and the court did not address the definition of passive income or the PFIC rules; however, the reasoning of the case could have implications as to how the income from a time charter would be classified under such rules. If the reasoning of the *Tidewater* case is applied to the Company’s situation and the Company’s or its subsidiaries’ time charters are treated as leases, the Company’s or its subsidiaries’ time charter income could be classified as rental income and the Company would be a PFIC unless more than 25% of the income of the Company (taking into account the subsidiary look through rule) is from spot charters plus other active income or an active leasing exception applies. The IRS has announced that it will not follow the reasoning of the *Tidewater* case and would have treated the income from the time charters at issue in that case as services income, including for other purposes of the Code. The Company intends to take the position that all of its time, voyage and spot chartering activities will generate active services income and not passive leasing income, but in the absence of direct legal authority specifically relating to the Code provisions governing PFICs, the IRS or a court could disagree with this position. Although the matter is not free from doubt as described herein, based on the current operations and activities of the Company and its subsidiaries and on the relative values of the vessels in the Company’s fleet and the charter income in respect of the vessels, Globus Maritime Limited should not be treated as a PFIC during the taxable year ended December 31, 2015.

Based on the Company’s intention and expectation that the Company’s subsidiaries’ income from spot, time and voyage chartering activities plus other active operating income will be greater than 25% of the Company’s total gross income at all relevant times and that the gross value of the vessels subject to such time, voyage or spot charters will exceed the gross value of all the passive assets the Company owns at all relevant times, Globus Maritime Limited does not expect that it will constitute a PFIC with respect to a taxable year in the near future.

The Company will try to manage its vessels and its business so as to avoid being classified as a PFIC for a future taxable year; however there can be no assurance that the nature of the Company’s assets, income and operations will remain the same in the future (notwithstanding the Company’s current expectations). Additionally, no assurance can be given that the IRS or a court of law will accept the Company’s position that the time charters that the Company’s subsidiaries have entered into or any other time charter that the Company or a subsidiary may enter into will give rise to active income rather than passive income for purposes of the PFIC rules, or that future changes of law will not adversely affect this position. The Company has not obtained a ruling from the IRS on its time charters or its PFIC status and does not intend to seek one. Any contest with the IRS may materially and adversely impact the market for the common shares and the prices at which they trade. In addition, the costs of any contest on the issue with the IRS will result in a reduction in cash available for distribution and thus will be borne indirectly by the Company’s shareholders.

If Globus Maritime Limited were to be classified as a PFIC in any year, each United States Holder of the Company’s shares will be subject (in that year and all subsequent years) to special rules with respect to: (1) any “excess distribution” (generally defined as any distribution received by a shareholder in a taxable year that is greater than 125% of the average annual distributions received by the shareholder in the three preceding taxable years or, if shorter, the shareholder’s holding period for the shares), and (2) any gain realized upon the sale or other disposition of the common shares. Under these rules:

- the excess distribution or gain will be allocated ratably over the United States Holder’s holding period;
- the amount allocated to the current taxable year and any year prior to the first year in which the Company was a PFIC will be taxed as ordinary income in the current year; and
- the amount allocated to each of the other taxable years in the United States Holder’s holding period will be subject to United States federal income tax at the highest rate in effect for the applicable class of taxpayer for that year, and an interest charge will be added as though the amount of the taxes computed with respect to these other taxable years were overdue.

In order to avoid the application of the PFIC rules, United States Holders may make a qualified electing fund, or a QEF, election provided in Section 1295 of the Code in respect of their common shares. Even if a United States Holder makes a QEF election for a taxable year of the Company, if the Company was a PFIC for a prior taxable year during which such holder held the common shares and for which such holder did not make a timely QEF election, the United States Holder would also be subject to the more adverse rules described above. Additionally, to the extent any of the Company’s subsidiaries is a PFIC, an election by a United States Holder to treat Globus Maritime Limited as a QEF would not be effective with respect to such holder’s deemed ownership of the stock of such subsidiary and a separate QEF election with respect to such subsidiary is required. In lieu of the PFIC rules discussed above, a United States Holder that makes a timely, valid QEF election will, in very general terms, be required to include its pro rata share of the Company’s ordinary income and net capital gains, unreduced by any prior year losses, in income for each taxable year (as ordinary income and long-term capital gain, respectively) and to pay tax thereon, even if no actual distributions are received for that year in respect of the common shares and even if the amount of that income is not the same as the amount of actual distributions paid on the common shares during the year. If the Company later distributes the income or gain on which the United States Holder has already paid taxes under the QEF rules, the amounts so distributed will not again be subject to tax in the hands of the United States Holder. A United States Holder’s tax basis in any common shares as to which a QEF election has been validly made will be increased by the amount included in such United States Holder’s income as a result of the QEF election and decreased by the amount of nontaxable distributions received by the United States Holder. On the disposition of a common share, a United States Holder making the QEF election generally will recognize capital gain or loss equal to the difference, if any, between the amount realized upon such disposition and its adjusted tax basis in the common share. In general, a QEF election should be made by filing a Form 8621 with the United States Holder’s federal income tax return on or before the due date for filing such United States Holder’s federal income tax return for the first taxable year for which the Company is a PFIC or, if later, the first taxable year for which the United States Holder held common shares. In this regard, a QEF election is effective only if certain required information is made available by the PFIC. Subsequent to the date that the Company first determines that it is a PFIC, the Company will use commercially reasonable efforts to provide any United States Holder of common shares, upon request, with the information necessary for such United States Holder to make the QEF election.

In addition to the QEF election, Section 1296 of the Code permits United States Holders to make a “mark-to-market” election with respect to marketable shares in a PFIC, generally meaning shares regularly traded on a qualified exchange or market and certain other shares considered marketable under U.S. Department of the Treasury regulations. For this purpose, a class of shares is regularly traded on a qualified exchange or market for any calendar year during which such class of shares is traded, other than in de minimis quantities, on at least 15 days during each calendar quarter of the year. Our common shares historically have been regularly traded on the Nasdaq Capital Market or the Nasdaq Global Market, which are established securities markets. However, if our common shares were to be delisted, (as described in “Item 3.D. Risk Factors—Company Specific Risk Factors—Our common shares may be delisted from Nasdaq, which could affect its market price and liquidity”), then the mark-to-market election generally would be unavailable to United States Holders. If a United States Holder makes a mark-to-market election in respect of its common shares, such United States Holder generally would, in each taxable year: (1) include as ordinary income the excess, if any, of the fair market value of the common shares at the end of the taxable year over such United States Holder’s adjusted tax basis in the common shares, and (2) be permitted an ordinary loss in respect of the excess, if any, of such United States Holder’s adjusted tax basis in the common shares over their fair market value at the end of the taxable year, but only to the extent of the net amount previously included in income as a result of the mark-to-market election (with the United States Holder’s basis in the common shares being increased and decreased, respectively, by the amount of such ordinary income or ordinary loss). The consequences of this election are generally less favorable than those of a QEF election for United States Holders that are sensitive to the distinction between ordinary income and capital gain, although this is not necessarily the case.

United States Holders are urged to consult their tax advisors as to the consequences of making a mark-to-market or QEF election, as well as other United States federal income tax consequences of holding shares in a PFIC.

As previously indicated, if the Company were to be classified as a PFIC for a taxable year in which the Company pays a dividend or the immediately preceding taxable year, dividends paid by the Company would not constitute “qualified dividend income” and, hence, would not be eligible for the reduced rate of United States federal income tax.

Consequences of Controlled Foreign Corporation Classification of the Company

If more than 50% of either the total combined voting power of the shares of the Company entitled to vote or the total value of all of the Company’s outstanding shares were owned, directly, indirectly or constructively by (i) citizens or residents of the United States, (ii) U.S. partnerships or corporations, or U.S. estates or trusts (as defined for U.S. federal income tax purposes), each of which owned, directly, indirectly or constructively 10% or more of the total combined voting power of the Company shares entitled to vote (each a “U.S. Shareholder”), the Company and its wholly owned subsidiaries generally would be treated as CFCs. U.S. Shareholders of a CFC are treated as receiving current distributions of their shares of Subpart F Income of the CFC even if they do not receive actual distributions. The Company or its subsidiaries may have income that would be treated as Subpart F Income, such as interest income, services income of Globus Shipmanagement or passive leasing income in respect of vessel charters. Consequently, any United States Holders who are also U.S. Shareholders may be required to include in their U.S. federal taxable income their pro rata share of the Subpart F income of the Company and its subsidiaries, regardless of the amount of cash distributions received. The Company believes that its time charter income will not be treated as passive rental income, but there can be no assurance that the IRS will accept this position. Please read “—United States Federal Income Taxation of United States Holders—Consequences of Possible PFIC Classification.”

In the case where the Company and its subsidiaries are CFCs, to the extent that the Company’s distributions to a United States Holder who is also a U.S. Shareholder are attributable to prior inclusions of Subpart F income of such United States Holder, such distributions are not required to be reported as additional income of such United States Holder.

Whether or not the Company or a subsidiary will be a CFC will depend on the identity of the shareholders of the Company during each taxable year of the Company. As of the date of this annual report on Form 20-F, the Company should not be a CFC based on the current shareholders in the Company.

If the Company or one of its subsidiaries is a CFC, certain burdensome U.S. federal income tax and administrative requirements would apply to United States Holders that are U.S. Shareholders, but such United States Holders generally would not also be subject to all of the requirements generally applicable to owners of a PFIC. For example, a United States Holder that is a U.S. Shareholder will be required to annually file IRS Form 5471 to report certain aspects of its indirect ownership of a CFC. United States Holders should consult with their own tax advisors as to the consequences to them of being a U.S. Shareholder in a CFC.

Sale, Exchange or Other Disposition of Common Shares

A United States Holder generally will recognize taxable gain or loss upon a sale, exchange or other disposition of common shares in an amount equal to the difference between the amount realized by the United States Holder from such sale, exchange or other disposition and the United States Holder’s tax basis in such common shares. Assuming the Company does not constitute a PFIC for any taxable year, this gain or loss will generally be treated as long-term capital gain or loss if the United States Holder’s holding period is greater than one year at the time of the sale, exchange or other disposition. Long term capital gains recognized by a United States Holder other than a corporation are generally taxed at preferential rates. A United States Holder’s ability to deduct capital losses is subject to limitations.

United States Federal Income Taxation of Non-United States Holders

A Non-United States Holder will generally not be subject to United States federal income tax on dividends paid in respect of the common shares or on gains recognized in connection with the sale or other disposition of the common shares provided that the Non-United States Holder makes certain tax representations regarding the identity of the beneficial owner of the common shares, that such dividends or gains are not effectively connected with the Non-United States Holder’s conduct of a United States trade or business and that, with respect to gain recognized in connection with the sale or other disposition of the common shares by a non-resident alien individual, such individual is not present in the United States for 183 days or more in the taxable year of the sale or other disposition and other conditions are met. If the Non-United States Holder is engaged in a United States trade or business for United States federal income tax purposes, the income from the common shares, including dividends and gain from the sale, exchange or other disposition of the common stock, that is effectively connected with the conduct of that trade or business will generally be subject to regular United States federal income tax in the same manner as discussed above relating to the taxation of United States Holders.

Net Investment Income Tax

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

Backup Withholding and Information Reporting

Information reporting to the IRS may be required with respect to payments on the common shares and with respect to proceeds from the sale of the common shares. With respect to Non-United States Holders, copies of such information returns may be made available to the tax authorities in the country in which the Non-United States Holder resides under the provisions of any applicable income tax treaty or exchange of information agreement. A “backup” withholding tax may also apply to those payments if:

- a holder of the common shares fails to provide certain identifying information (such as the holder’s taxpayer identification number or an attestation to the status of the holder as a Non-United States Holder);
- such holder is notified by the IRS that he or she has failed to report all interest or dividends required to be shown on his or her federal income tax returns; or
- in certain circumstances, such holder has failed to comply with applicable certification requirements.

Backup withholding is not an additional tax and may be refunded (or credited against the holder’s United States federal income tax liability, if any), provided that certain required information is furnished to the IRS in a timely manner.

United States Holders of common shares may be required to file forms with the IRS under the applicable reporting provisions of the Code. For example, such United States Holders may be required, under Sections 6038, 6038B, 6038D and/or 6046 of the Code, and the regulations thereunder, to supply the IRS with certain information regarding the United States Holder, other United States Holders and the Company if (1) such person owns at least 10% of the total value or 10% of the total combined voting power of all classes of shares entitled to vote or (2) the acquisition, when aggregated with certain other acquisitions that may be treated as related under applicable regulations, exceeds \$100,000. United States Holders may also be required to report information relating to an interest in common shares that are not held in a financial account maintained by a U.S. or foreign financial institution. In the event a United States Holder fails to file a form when required to do so, the United States Holder could be subject to substantial tax penalties.

Non-United States Holders may be required to establish their exemption from information reporting and backup withholding by certifying their status on IRS Form W-8BEN, W-8BEN-E, W-8ECI or W-8IMY, as applicable.

We encourage each United States Holder and Non-United States Holder to consult with his, her or its own tax advisor as to the particular tax consequences to him, her or it of holding and disposing of the Company’s common shares, including the applicability of any federal, state, local or foreign tax laws and any proposed changes in applicable law.

F. Dividends and Paying Agents

Not Applicable.

G. Statement by Experts

Not Applicable.

H. Documents on Display

We file reports and other information with the SEC. These materials, including this annual report on Form 20-F and the accompanying exhibits, may be inspected and copied at the public reference facilities maintained by the SEC at 100 F Street, N.E., Washington, D.C. 20549, or from the SEC’s website <http://www.sec.gov>. You may obtain information on the operation of the public reference room by calling 1 (800) SEC-0330 and you may obtain copies at prescribed rates.

I. Subsidiary Information

Not Applicable.

Item 11. Quantitative and Qualitative Disclosures About Market Risk

Interest Rates

We are exposed to market risks associated with changes in interest rates relating to our loan arrangements with Commerzbank, DVB Bank and HSH. As of December 31, 2015, we had a \$15.65 million principal balance outstanding under the Kelty Loan Agreement with Commerzbank, a \$21.0 million principal balance outstanding under the DVB Loan Agreement with DVB Bank and a \$27.3 million principal balance outstanding under the HSH Loan Agreement.

We reached a settlement agreement with Commerzbank relating to the Kelty Loan Agreement in March 2016. Commerzbank agreed to settle the outstanding indebtedness of \$15.65 million in return for the sale of the shares of Kelty Marine Ltd. for \$6.86 million plus overdue interest of \$40,708. If the total amount of cash and bank balances and bank deposits exceeds \$10 million in the aggregate as declared on June 30, 2016 then we must pay to Commerzbank any excess amounts. If there is no excess, Globus will be released from its guarantee.

In December 2013, we entered into a revolving credit facility with a credit limit up to \$4.0 million, which subsequently increased to \$20.0 million in December 2015, with Firment Trading Limited, a company related to us through common control, for the purpose of financing our general working capital needs. We are not exposed to market risk with respect to this credit facility because interest is charged at a fixed rate of 5% per annum.

Interest costs incurred under our loan arrangements are included in our consolidated statement of comprehensive income.

In 2015, the weighted average interest rate for our then-outstanding facilities in total was 3.05% and the respective interest rates on our loan agreements, other than the Firment Credit Facility, ranged from 1.32% to 3.42%, including margins.

We will continue to have debt outstanding, which could impact our results of operations and financial condition. Although we may in the future prefer to generate funds through equity offerings on terms acceptable to us rather than through the use of debt arrangements, we may not be able to do so. We expect to manage any exposure in interest rates through our regular operating and financing activities and, when deemed appropriate, through the use of derivative financial instruments.

During 2008 we entered into two interest rate swap agreements in order to manage the risk associated with changing interest rates. Both swap agreements reached maturity in November 2013. The total notional principal amount of these swaps was \$25 million, which had specified rates and durations.

The following table sets forth the sensitivity of our existing loans as of December 31, 2015 as to a 1.0% (100 basis points) increase in LIBOR, during the next five years, and reflects the additional interest expense that will be incurred.

Year	Amount	
2016	\$	0.9 million
2017	\$	0.4 million
2018	\$	0.3 million
2019	\$	0.1 million
2020	\$	-

Currency and Exchange Rates

We generate revenues from the trading of our vessels in U.S. dollars but historically incur certain amounts of our operating expenses in currencies other than the U.S. dollar. While we were incorporated in Jersey, the majority of our general and administrative expenses (including stock exchange fees and advisor fees) were payable in U.K. pounds sterling. For cash management, or treasury, purposes, we convert U.S. dollars into foreign currencies which we then hold on deposit until the date of each transaction. Fluctuations in foreign exchange rates create foreign exchange gains or losses when we mark-to-market these non-U.S. dollar deposits.

For accounting purposes, expenses incurred in Euro and other foreign currencies are converted into U.S. dollars at the exchange rate prevailing on the date of each transaction. Because a portion of our expenses are incurred in currencies other than the U.S. dollar, our expenses may from time to time increase relative to our revenues as a result of fluctuations in exchange rates, which could affect the amount of net income that we report in future periods. While we historically have not mitigated the risk associated with exchange rate fluctuations through the use of financial derivatives, we may determine to employ such instruments from time to time in the future in order to minimize this risk. Our use of financial derivatives would involve certain risks, including the risk that losses on a hedged position could exceed the nominal amount invested in the instrument and the risk that the counterparty to the derivative transaction may be unable or unwilling to satisfy its contractual obligations, which could have an adverse effect on our results.

Commodity Risk Exposure

The price and supply of fuel is unpredictable and fluctuates as a result of events outside our control, including geo-political developments, supply and demand for oil and gas, actions by members of the Organization of Petroleum Exporting Countries and other oil and gas producers, war and unrest in oil producing countries and regions, regional production patterns and environmental concerns and regulations. Because we do not intend to hedge our fuel costs, an increase in the price of fuel beyond our expectations may adversely affect our profitability, cash flows and ability to pay dividends.

Inflation

We do not expect inflation to be a significant risk to us in the current and foreseeable economic environment. In the event that inflation becomes a significant factor in the global economy, inflationary pressures would result in increased operating, voyage and finance costs.

Item 12. Description of Securities Other than Equity Securities

Not Applicable.

PART II

Item 13. Defaults, Dividend Arrearages and Delinquencies

We declared a dividend on our Series A Preferred Shares on February 18, 2015, but did not pay the dividends in full until December 29, 2015. We also declared dividends on our Series A Preferred Shares on December 21, 2015, which were paid in full on January 5, 2016.

Item 14. Material Modifications to the Rights of Security Holders and Use of Proceeds

In April 2012, we filed a Certificate of Designation, Preferences and Rights of Series A Preferred Stock with the Marshall Islands, setting forth the preferences and rights of our Series A Preferred Shares, which are described in “Item 10.B. Memorandum and Articles of Association—Preferred Shares.” In April 2012, we issued to our two executive officers, an aggregate of 3,347 Series A Preferred Shares. In January 2013, we redeemed 780 of these Series A Preferred Shares. Holders of Series A Preferred Shares may receive dividends prior to the holders of our shares, and also have a liquidation preference.

Item 15. Controls and Procedures

(a) Disclosure Controls and Procedures

Management, including our chief executive officer and chief financial officer, has conducted an evaluation of the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended, which we refer to as the Exchange Act) as of the end of the period covered by this annual report on Form 20-F. Disclosure controls and procedures are defined under SEC rules as controls and other procedures that are designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within required time periods. Disclosure controls and procedures include controls and procedures designed to ensure that information is accumulated and communicated to the issuer’s management, including its principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosures.

There are inherent limitations to the effectiveness of any system of disclosure controls and procedures, including the possibility of human error and the circumvention or overriding of the controls and procedures. Accordingly, even effective disclosure controls and procedures can only provide reasonable assurance of achieving their control objectives.

Based upon that evaluation, our chief executive officer and chief financial officer has concluded that our disclosure controls and procedures are effective as of the evaluation date.

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

Management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Rule 13a-15(f) of the Exchange Act. The Company’s internal control over financial reporting is a process designed under the supervision of the Company’s chief executive officer and chief financial officer to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the Company’s consolidated financial statements for external reporting purposes in accordance with IFRS as issued by the IASB.

Management has conducted an assessment of the effectiveness of the Company’s internal control over financial reporting based on the framework established in Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission of 2013. Based on this assessment, management has determined that the Company’s internal control over financial reporting as of December 31, 2015 is effective.

(c) Attestation Report of the Registered Public Accounting Firm

This annual report does not include an attestation report of the Company’s registered public accounting firm regarding internal control over financial reporting. Management’s report was not subject to attestation by the Company’s registered public accounting firm pursuant to the rules of the SEC that permit the Company to provide only management’s report in this annual report on Form 20-F.

(d) Changes in Internal Control over Financial Reporting

None.

Inherent Limitations on Effectiveness of Controls

Our management, including our chief executive officer and our chief financial officer, do not expect that our disclosure controls or our internal control over financial reporting will prevent or detect all error and all fraud. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the control system’s objectives will be met. Further, because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that misstatements due to error or fraud will not occur or that all control issues and instances of fraud, if any, within the Company have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty and that breakdowns can occur because of simple error or mistake. Controls can also be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the controls. The design of any system of controls is based in part on certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Projections of any evaluation of controls effectiveness to future periods are subject to risks. Over time, controls may become inadequate because of changes in conditions or deterioration in the degree of compliance with policies or procedures.

Item 16A. Audit Committee Financial Expert

Our board of directors has determined that Amir Eilon is our audit committee financial expert and he is considered to be “independent” according to the SEC and Nasdaq rules.

Item 16B. Code of Ethics

We have adopted a code of ethics that applies to our directors, officers and employees. Our code of ethics is posted on our website and is available upon written request by our shareholders at no cost to Globus Shipmanagement Corp., 128 Vouliagmenis Avenue, 3rd Floor, 166 74 Glyfada, Athens, Greece. We intend to satisfy any disclosure requirements regarding any amendment to, or waiver from, a provision of this Code of Ethics by posting such information on our website.

Item 16C. Principal Accountant Fees and Services

Our principal accountants, Ernst & Young (Hellas) Certified Auditors Accountants S.A., an independent registered public accounting firm, have billed us for audit, audit-related and non-audit services as follows:

	2015		2014	
Audit Fees	\$	112,000	\$	133,000
Audit-Related Fees		-		-
Tax Fees		-		-
All Other Fees		4,500		4,500
Total	\$	116,500	\$	137,500

Audit fees for the years ended December 31, 2015 and 2014 were paid in Euros, and we assume an exchange rate of 0.8929€//\$ and 0.7519€//\$ for 2015 and 2014, respectively.

Audit fees represent compensation for professional services rendered for the audit of the consolidated financial statements and for the review of the quarterly financial information as well as services in connection with the registration statements and related consents and comfort letters and any other audit services required for SEC or other regulatory filings.

The Audit Committee is responsible for the appointment, replacement, compensation, evaluation and oversight of the work of the independent auditors. As part of this responsibility, the Audit Committee pre-approves the audit and non-audit services performed by the independent auditors in order to assure that they do not impair the auditor’s independence from the Company. The Audit Committee has adopted a policy which sets forth the procedures and the conditions pursuant to which services proposed to be performed by the independent auditors may be pre-approved.

Item 16D. Exemptions from the Listing Standards for Audit Committees

Our audit committee is comprised of two independent members of our board of directors. Otherwise, our Audit Committee conforms to each other requirement applicable to audit committees as required by the applicable corporate governance standards of Nasdaq.

Item 16E. Purchases of Equity Securities by the Issuer and Affiliated Purchasers

None.

Item 16F. Change in Registrant’s Certifying Accountant

None.

Item 16G. Corporate Governance

While a number of the Nasdaq’s corporate governance standards do not apply to us as a foreign private issuer, we intend to comply with a number of those rules. The practices that we will follow in lieu of Nasdaq’s corporate governance rules are as follows:

- in lieu of a nomination committee and remuneration committee comprised entirely of independent directors, our nomination and remuneration committees are and will be comprised of a majority of independent directors. Each of these committees will be comprised of a minimum of two individuals;
- in lieu of holding regularly scheduled meetings of the board of directors at which only independent directors are present, we will not be holding such regularly scheduled meetings;

- in lieu of a board of directors that is comprised by a majority of independent directors, our board of directors is not comprised of a majority of independent directors;
- in lieu of an audit committee comprised of three independent directors, our audit committee has two members;
- in lieu of having a remuneration committee with the authorities and responsibilities set forth in the Nasdaq rules, our remuneration committee is not required to have such authorities and responsibilities; and
- in lieu of obtaining shareholder approval prior to the issuance of securities (including adoption of any equity incentive plan), we will comply with provisions of the BCA, which allows the board of directors to approve all share issuances.

Item 16H. Mining Safety Disclosure

Not Applicable.

PART III

Item 17. Financial Statements

See Item 18.

Item 18. Financial Statements

The following consolidated financial statements beginning on page F-1 are filed as a part of this annual report on Form 20-F.

Item 19. Exhibits

- | | |
|-----|---|
| 1.1 | Articles of Incorporation of Globus Maritime Limited (incorporated by reference to Exhibit 3.1 to Amendment No. 1 to Globus Maritime Limited’s Registration Statement on Form F-1 (Reg. No. 333-170755) filed on November 24, 2010) |
| 1.2 | Bylaws of Globus Maritime Limited (incorporated by reference to Exhibit 3.2 to Amendment No. 1 to Globus Maritime Limited’s Registration Statement on Form F-1 (Reg. No. 333-170755) filed on November 24, 2010) |
| 1.3 | Certificate of Designation for Series A Preferred Stock of Globus Maritime Limited (incorporated by reference to Exhibit 1.3 to Globus Maritime Limited’s Annual Report on Form 20-F (Reg. No. 001-34985) filed on April 27, 2012) |
| 4.1 | Credit Facility between Credit Suisse and Global Maritime Limited, as supplemented (incorporated by reference to Exhibit 10.1 to Globus Maritime Limited’s Registration Statement on Form F-1 (Reg. No. 333-170755) filed on November 22, 2010) |
| 4.2 | Loan Agreement between Deutsche Schiffsbank Aktiengesellschaft and Keltly Marine Ltd. (incorporated by reference to Exhibit 10.2 to Globus Maritime Limited’s Registration Statement on Form F-1 (Reg. No. 333-170755) filed on November 22, 2010) |
| 4.3 | Business Opportunities Agreement between Globus Maritime Limited and Georgios Feidakis (incorporated by reference to Exhibit 10.4 to Globus Maritime Limited’s Registration Statement on Form F-1 (Reg. No. 333-170755) filed on November 22, 2010) |
| 4.4 | Registration Rights Agreement between Globus Maritime Limited, Firment Trading Limited and Kim Holdings S.A. (incorporated by reference to Exhibit 10.5 to Globus Maritime Limited’s Registration Statement on Form F-1 (Reg. No. 333-170755) filed on November 22, 2010) |

4.5	Sixth Supplemental Agreement to Facility Agreement, dated May 5, 2011 (incorporated by reference to Exhibit 99.1 to Globus Maritime Limited’s Current Report on Form 6-K (Reg. No. 001-34985) filed on May 9, 2011)
4.6*	Equity Incentive Plan of Globus Maritime Limited
4.7	Loan Agreement among DVB Bank SE, Artful Shipping S.A. and Longevity Maritime Limited (previously filed as Exhibit 10.10 to Amendment No. 3 to the Registration Statement on Form F-1 (Reg. No. 333-174290) filed on June 22, 2011)
4.8	Supplemental Agreement to Loan Agreement among DVB Bank SE, Artful Shipping S.A. and Longevity Maritime Limited, dated March 1, 2012 (incorporated by reference to Exhibit 4.10 to Globus Maritime Limited’s Annual Report on Form 20-F (Reg. No. 001-34985) filed on April 30, 2013)
4.9	Second Supplemental Agreement to Loan Agreement among DVB Bank SE, Artful Shipping S.A. and Longevity Maritime Limited, dated April 10, 2013 (incorporated by reference to Exhibit 4.11 to Globus Maritime Limited’s Annual Report on Form 20-F (Reg. No. 001-34985) filed on April 30, 2013)
4.10	Seventh Supplemental Agreement to Facility Agreement, dated March 26, 2013 (incorporated by reference to Exhibit 4.12 to Globus Maritime Limited’s Annual Report on Form 20-F (Reg. No. 001-34985) filed on April 30, 2013)
4.11	Revolving Credit Facility between Globus Maritime Limited and Firment Trading Limited, dated December 16, 2013 (incorporated by reference to Exhibit 4.11 to Globus Maritime Limited’s Annual Report on Form 20-F (Reg. No. 001-34985) filed on April 29, 2014)
4.12	Third Supplemental Agreement to Loan Agreement among DVB Bank SE, Artful Shipping S.A., Longevity Maritime Limited, Globus Maritime Limited and Globus Shipmanagement Corp. dated February 20, 2015 (incorporated by reference to Exhibit 4.12 to Globus Maritime Limited’s Annual Report on Form 20-F (Reg. No. 001-34985) filed on April 30, 2015)
4.13	Eighth Supplemental Agreement to Facility Agreement, dated August 14, 2014 (incorporated by reference to Exhibit 4.13 to Globus Maritime Limited’s Annual Report on Form 20-F (Reg. No. 001-34985) filed on April 30, 2015)
4.14	Ninth Supplemental Agreement to Facility Agreement, dated February 25, 2015 (incorporated by reference to Exhibit 4.14 to Globus Maritime Limited’s Annual Report on Form 20-F (Reg. No. 001-34985) filed on April 30, 2015)
4.15	Facility Agreement among Devocean Maritime Ltd., Domina Maritime Ltd., Dulac Maritime S.A., HSH Nordbank AG and Globus Maritime Limited, dated February 27, 2015 (incorporated by reference to Exhibit 4.15 to Globus Maritime Limited’s Annual Report on Form 20-F (Reg. No. 001-34985) filed on April 30, 2015)
4.16	First Supplemental Agreement to Revolving Credit Facility between Globus Maritime Limited and Firment Trading Limited, dated April 28, 2015 (incorporated by reference to Exhibit 4.16 to Globus Maritime Limited’s Annual Report on Form 20-F (Reg. No. 001-34985) filed on April 30, 2015)
4.17*	Second Supplemental Agreement to the Revolving Credit Facility Agreement between Globus Maritime Limited and Firment Trading Limited dated December 29, 2015
4.18*	Third Supplemental Agreement – Assignment to the Revolving Credit Facility Agreement between Globus Maritime Limited, Firment Trading Limited, a Cypriot company, and Firment Trading Limited, a Marshall Islands corporation, dated December 31, 2015
4.19*	Agreement for a Revolving Credit Facility dated January 12, 2016 between Globus Maritime Limited and Silaner Investments Limited

4.20*	Settlement Agreement among Commerzbank Aktiengesellschaft, Kelty Marine Ltd. and Globus Maritime Limited dated March 21, 2016
4.21*	Fourth Supplemental Agreement to Loan Agreement among DVB Bank SE, Artful Shipping S.A., Longevity Maritime Limited, Globus Maritime Limited and Globus Shipmanagement Corp. dated April 18, 2016
8.1*	Subsidiaries of Globus Maritime Limited
11.1	Code of Ethics & Conduct of Globus Maritime Limited (incorporated by reference to Exhibit 11.1 to Globus Maritime Limited’s Annual Report on Form 20-F (Reg. No. 001-34985) filed on March 28, 2011)
12.1/12.2*	Certification pursuant to section 302 of the Sarbanes-Oxley Act of 2002 of the President, Chief Executive Officer and Chief Financial Officer
13.1/13.2*	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, of the President, Chief Executive Officer and Chief Financial Officer

* *Filed herewith.*

SIGNATURES

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

GLOBUS MARITIME LIMITED

By: /s/ Athanasios Feidakis
Name: Athanasios Feidakis
Title: President, Chief Executive Officer and
Chief Financial Officer

Date: April 29, 2016

GLOBUS MARITIME LIMITED
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

INDEX TO THE CONSOLIDATED FINANCIAL STATEMENTS

	Page
Report of Independent Registered Public Accounting Firm	F-2
Consolidated Statement of Comprehensive Loss/Income	F-3
Consolidated Statement of Financial Position	F-4
Consolidated Statement of Changes in Equity	F-5
Consolidated Statement of Cash Flows	F-6
Notes to the Consolidated Financial Statements	F-7 to F-35

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors and Stockholders of Globus Maritime Limited

We have audited the accompanying consolidated statements of financial position of Globus Maritime Limited (the “Company”) as of December 31, 2015 and 2014, and the related consolidated statements of comprehensive loss/income, changes in equity and cash flows for each of the three years in the period ended December 31, 2015. These financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Company’s internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Globus Maritime Limited at December 31, 2015 and 2014, and the consolidated results of its operations and its cash flows for each of the three years in the period ended December 31, 2015, in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board (IASB).

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 2.1 to the consolidated financial statements, the Company reports that it is probable not to be able to meet certain of the restrictive covenants included in certain of its bank loan agreements. This condition, together with the working capital deficit reported by the Company as of December 31, 2015, raises substantial doubt about its ability to continue as a going concern. Management's plans in regard to this matter are also described in Note 2.1. The 2015 consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded assets amounts, amounts and classification of liabilities, or any other adjustments that might result in the event the Company is unable to continue as a going concern.

/s/ Ernst & Young (Hellas) Certified Auditors-Accountants S.A.
Athens, Greece
April 29, 2016

GLOBUS MARITIME LIMITED
CONSOLIDATED STATEMENT OF COMPREHENSIVE LOSS/INCOME
For the year ended 31 December 2015
(Expressed in thousands of U.S. Dollars, except per share data)

	Notes	2015	2014	2013
REVENUE:				
Voyage revenue		12,715	26,378	29,434
EXPENSES & OTHER OPERATING INCOME:				
Voyage expenses	14	(2,384)	(4,254)	(2,892)
Vessel operating expenses	14	(10,321)	(9,707)	(10,031)
Depreciation	5	(6,085)	(5,624)	(5,622)
Depreciation of dry docking costs	5	(1,062)	(574)	(434)
Amortization of fair value of time charter attached to vessels	5	(41)	(746)	(1,261)
Administrative expenses	15	(1,751)	(1,896)	(2,092)
Administrative expenses payable to related parties	4	(465)	(522)	(620)
Share-based payments	13	(60)	(60)	189
(Impairment Loss)/Reversal of impairment	5	(20,144)	2,240	1,679
Other (expenses)/income, net		(110)	(1)	127
Operating (loss)/profit		(29,708)	5,234	8,477
Interest income		8	12	41
Interest expense and finance costs	16	(2,783)	(2,137)	(3,571)
Gain on derivative financial instruments	18	-	-	738
Foreign exchange gains/(losses), net		87	103	(8)
TOTAL (LOSS)/PROFIT FOR THE YEAR		(32,396)	3,212	5,677
Other Comprehensive Income		-	-	-
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR		(32,396)	3,212	5,677
(Loss)/earnings per share (U.S.\$):				
- Basic & Diluted (loss)/earnings per share for the year	11	(3.20)	0.29	0.52

The accompanying notes form an integral part of these financial statements.

GLOBUS MARITIME LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2015
(Expressed in thousands of U.S. Dollars, except per share data)

	Notes	2015	2014
ASSETS			
NON-CURRENT ASSETS			
Vessels, net	5	110,075	141,736
Office furniture and equipment		55	88
Other non-current assets		10	10
		110,140	141,834
CURRENT ASSETS			
Trade receivables, net		688	1,177
Inventories	6	453	441
Prepayments and other assets	7	1,051	2,534
Restricted cash	3	500	1,000
Cash and cash equivalents	3	2,005	5,083
		4,697	10,235
TOTAL ASSETS		114,837	152,069
EQUITY AND LIABILITIES			
EQUITY			
Issued Share capital	10	41	41
Share premium	10	109,923	109,863
Accumulated deficit		(79,429)	(46,585)
Total equity		30,535	63,319
NON-CURRENT LIABILITIES			
Long-term borrowings, net of current portion	4,12	14,600	40,245
Provision for staff retirement indemnities		73	69
		14,673	40,314
CURRENT LIABILITIES			
Current portion of long-term borrowings	12	63,645	44,143
Trade accounts payable	8	4,011	2,607
Accrued liabilities and other payables	9	1,802	1,380
Deferred revenue		171	306
		69,629	48,436
TOTAL LIABILITIES		84,302	88,750
TOTAL EQUITY AND LIABILITIES		114,837	152,069

The accompanying notes form an integral part of these financial statements.

GLOBUS MARITIME LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2015
(Expressed in thousands of U.S. Dollars, except share and per share data)

	Issued share Capital (note 10)	Share Premium (note 10)	(Accumulated Deficit)	Total Equity
As at January 1, 2013	41	109,753	(54,612)	55,182
Profit for the year	-	-	5,677	5,677
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	5,677	5,677
Share-based payments (note 13)	-	50	(239)	(189)
Dividends paid (note 17)	-	-	(330)	(330)
As at December 31, 2013	41	109,803	(49,504)	60,340
Profit for the year	-	-	3,212	3,212
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	3,212	3,212
Share-based payments (note 13)	-	60	-	60
Dividends paid (note 17)	-	-	(293)	(293)
As at December 31, 2014	41	109,863	(46,585)	63,319
Loss for the year	-	-	(32,396)	(32,396)
Other comprehensive income	-	-	-	-
Total comprehensive loss	-	-	(32,396)	(32,396)
Share-based payments (note 13)	-	60	-	60
Dividends paid (note 17)	-	-	(448)	(448)
As at December 31, 2015	41	109,923	(79,429)	30,535

The accompanying notes form an integral part of these financial statements.

GLOBUS MARITIME LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 31 December 2015
(Expressed in thousands of U.S. Dollars)

	Notes	2015	2014	2013
Operating activities				
Profit/(loss) for the year		(32,396)	3,212	5,677
Adjustments for:				
Depreciation	5	6,085	5,624	5,622
Depreciation of deferred dry docking costs	5	1,062	574	434
Amortization of fair value of time charter attached to vessels	5	41	746	1,261
Payment of deferred dry docking costs	5	(983)	(1,458)	(811)
Impairment loss/(Reversal of impairment)	5	20,144	(2,240)	(1,679)
Provision for staff retirement indemnities		4	5	(13)
Gain on derivative financial instruments	18	-	-	(738)
Interest expense and finance costs	16	2,783	2,137	3,571
Interest income		(8)	(12)	(41)
Foreign exchange gains, net		(27)	(1)	(18)
Share based payment	13	60	60	(189)
(Increase)/decrease in:				
Trade receivables, net		489	(331)	(118)
Inventories		(12)	192	25
Prepayments and other assets		1,483	687	(381)
Increase/(decrease) in:				
Trade accounts payable		1,404	510	377
Accrued liabilities and other payables		(54)	44	231
Deferred revenue		(135)	(228)	(853)
Net cash (used in)/ generated from operating activities		(60)	9,521	12,357
Cash flows from investing activities:				
Net Proceeds from sale of vessel		5,348	-	-
Time deposits with maturities of three months or more		-	-	(1,000)
Purchases of office furniture and equipment		(5)	(7)	(58)
Interest received		8	12	42
Net cash (used in)/ generated from investing activities		5,351	5	(1,016)
Cash flows from financing activities:				
Proceeds from loans	12,4	39,505	5,500	2,000
Repayment of long-term debt		(45,506)	(12,425)	(16,425)
Pledged bank deposits	3	500	-	1,000
Dividends paid	17	(505)	(390)	(163)
Interest paid		(2,363)	(2,018)	(3,535)
Net cash used in financing activities		(8,369)	(9,333)	(17,123)
Net (decrease)/increase in cash and cash equivalents		(3,078)	193	(5,782)
Foreign exchange gains on cash and bank deposits		-	1	18
Cash and cash equivalents at the beginning of the year	3	5,083	4,889	10,653
Cash and cash equivalents at the end of the year	3	2,005	5,083	4,889

The accompanying notes form an integral part of these financial statements.

GLOBUS MARITIME LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Amounts presented in thousands of U.S. Dollars- except for share and per share data, unless otherwise stated)

1. Basis of presentation and general information

The accompanying consolidated financial statements include the financial statements of *Globus Maritime Limited* (“Globus”) and its wholly owned subsidiaries (collectively the “Company”). Globus was formed on July 26, 2006 under the laws of Jersey. On June 1, 2007, Globus concluded its initial public offering in the United Kingdom and its shares were admitted for trading on the Alternative Investment Market (“AIM”). On November 24, 2010 Globus was redomiciled to the Marshall Islands and its shares were admitted for trading in the United States (NASDAQ Global Market) under the Securities Act of 1933, as amended. On November 26, 2010 Globus shares were effectively delisted from AIM.

The address of the registered office of Globus is: Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH96960.

The principal business of the Company is the ownership and operation of a fleet of dry bulk motor vessels (“m/v”), providing maritime services for the transportation of dry cargo products on a worldwide basis. The Company conducts its operations through its vessel owning subsidiaries.

The operations of the vessels are managed by Globus Shipmanagement Corp. (the “Manager”), a wholly owned Marshall Islands corporation. The Manager has an office in Greece, located at 128 Vouliagmenis Avenue, 166 74 Glyfada, Greece and provides the commercial, technical, cash management and accounting services necessary for the operation of the fleet in exchange for a management fee. The management fee is eliminated on consolidation. The consolidated financial statements include the financial statements of Globus and its following subsidiaries, all wholly owned by Globus as of December 31, 2015, 2014 and 2013:

Company	Country of Incorporation	Vessel Delivery Date	Vessel Owned
Globus Shipmanagement Corp.	Marshall Islands	July 26, 2006	Management Co.
Supreme Navigation Co. (The company was dissolved on October 18, 2013)	Marshall Islands	November 14, 2006	m/v Coral Globe (Sold in February 2010)
Devocean Maritime Ltd.	Marshall Islands	December 18, 2007	m/v River Globe
Elysium Maritime Limited	Marshall Islands	December 18, 2007	m/v Tiara Globe (Sold in July 2015)
Domina Maritime Ltd.	Marshall Islands	May 19, 2010	m/v Sky Globe
Dulac Maritime S.A.	Marshall Islands	May 25, 2010	m/v Star Globe
Kelty Marine Ltd.	Marshall Islands	June 29, 2010	m/v Jin Star
Artful Shipholding S.A.	Marshall Islands	June 22, 2011	m/v Moon Globe
Longevity Maritime Limited	Malta	September 15, 2011	m/v Sun Globe
Rosario Maritime Inc.	Marshall Islands	-	Dormant

GLOBUS MARITIME LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Amounts presented in thousands of U.S. Dollars- except for share and per share data, unless otherwise stated)

1. Basis of presentation and general information (continued)

The consolidated financial statements as of December 31, 2015 and 2014 and for the three years in the period ended December 31, 2015, were approved for issuance by the Board of Directors on April 27, 2016.

2. Basis of Preparation and Significant Accounting Policies

2.1 **Basis of Preparation:** The consolidated financial statements have been prepared on a historical cost basis. The consolidated financial statements are presented in U.S. dollars and all values are rounded to the nearest thousand (\$ 000s) except when otherwise indicated.

Going concern basis of accounting:

The consolidated financial statements have been prepared on a going concern basis. The going concern basis assumes that the Company will continue in operation for at least twelve months from its balance sheet date and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business.

As of December 31, 2015, the Company was in breach in most of the covenants included in its loan agreements with HSH Nordbank AG, Commerzbank AG and DVB Bank SE. Although none of the lenders has declared an event of default, these breaches could result in the lenders requiring immediate repayment of the loans and as a result the Company has classified the respective bank loans, amounting to approximately \$55.8 million, to current liabilities. As of December 31, 2015, the Company reported a working capital deficit (which is current assets minus, current liabilities) of \$ 64,932.

In 2016, the Company agreed with its lenders to amend the above loan agreements and all covenants breached as of December 31, 2015, will be either relaxed or waived up to March 2017 while certain scheduled instalments will be deferred to 2017 and 2019 (see Note 12). In addition, during 2015 the Company entered into supplemental agreements with Firment Trading Limited, a company related through common control, securing a credit facility up to \$20 million (as of December 31, 2015 the amount drawn down was \$14.6 million), which matures in April 2017 (see Note 4), and in 2016 it entered into a credit facility agreement with Silaner Investments Limited, a company related through common control, for an amount up to \$3 million, with maturity date January 2018 (see Note 24).

Subsequent to the amended agreements reached with the banks, the supplemental agreements with Firment Trading Limited and the new agreement with Silaner Investments Limited, the Company has secured adequate liquidity to service its debt and finance its operations until at least the end of 2016.

However, there can be no assurance, as to whether vessels values and charter rates will further deteriorate, and to what extent, and accordingly if these will be sufficient for the Company to be in compliance with the relaxed covenants included in the HSH loan on the applicable measurement dates in the next twelve months following the balance sheet date. If for any reason the Company is unable to continue as a going concern, this could have an impact on the Company’s ability to realize assets at their recognized values and to extinguish liabilities in the normal course of business at the amounts stated in the consolidated financial statements.

Statement of Compliance: These consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”).

Basis of Consolidation: The consolidated financial statements comprise the financial statements of Globus and its subsidiaries listed in note 1. The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies.

All inter-company balances and transactions have been eliminated upon consolidation. Subsidiaries are fully consolidated from the date on which control is transferred to the Company and cease to be consolidated from the date on which control is transferred out of the Company.

2. Basis of Preparation and Significant Accounting Policies (continued)

2.2 Standards amendments and interpretations:

The accounting policies adopted are consistent with those of previous financial year except for the following amended IFRS which have been adopted by the Company as of January 1, 2015.

- *Annual Improvements to IFRSs 2011 – 2013 Cycle.* The IASB has issued the Annual Improvements to IFRSs 2011 – 2013 Cycle, which is a collection of amendments to IFRSs. The amendments are effective for annual periods beginning on or after 1 January 2015. The below stated improvements are not expected to have an impact on the presentation of the financial statements or the financial position and performance of the Company.
 - *IFRS 3 Business Combinations:* This improvement clarifies that IFRS 3 excludes from its scope the accounting for the formation of a joint arrangement in the financial statements of the joint arrangement itself.
 - *IFRS 13 Fair Value Measurement:* This improvement clarifies that the scope of the portfolio exception defined in paragraph 52 of IFRS 13 includes all contracts accounted for within the scope of IAS 39 Financial Instruments: Recognition and Measurement or IFRS 9 Financial Instruments, regardless of whether they meet the definition of financial assets or financial liabilities as defined in IAS 32 Financial Instruments: Presentation.
 - *IAS 40 Investment Properties:* This improvement clarifies that determining whether a specific transaction meets the definition of both a business combination as defined in IFRS 3 Business Combinations and investment property as defined in IAS 40 Investment Property requires the separate application of both standards independently of each other.

Standards issued but not yet effective and not early adopted:

The standards and interpretations issued, but not yet effective, up to the date of issuance of the Company’s financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

- *IAS 16 Property, Plant & Equipment and IAS 38 Intangible assets (Amendment): Clarification of Acceptable Methods of Depreciation and Amortization:* The amendment is effective for annual periods beginning on or after 1 January 2016. The amendment provides additional guidance on how the depreciation or amortization of property, plant and equipment and intangible assets should be calculated. This amendment clarifies the principle in IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is part) rather than the economic benefits that are consumed through use of the asset. As a result, the ratio of revenue generated to total revenue expected to be generated cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortize intangible assets. These amendments are not expected to have any impact to the Company given that the Company has not used a revenue-based method to depreciate its non-current assets.
- *IAS 19 Defined Benefit Plans (Amended): Employee Contributions:* The amendment is effective for annual periods beginning on or after 1 February 2015. The amendment applies to contributions from employees or third parties to defined benefit plans. The objective of the amendment is to simplify the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary. The Company is in the process of assessing the impact of the new standard on the financial position or performance of the Company.
- *IFRS 9 Financial Instruments: Classification and Measurement:* The standard is effective for annual periods beginning on or after 1 January 2018, with early application permitted. The final version of IFRS 9 Financial Instruments reflects all phases of the financial instruments project and replaces IAS 39 Financial Instruments: Recognition and Measurement and all previous versions of IFRS 9. The standard introduces new requirements for classification and measurement, impairment, and hedge accounting. The Company is in the process of assessing the impact of the new standard on the financial position or performance of the Company.
- *IFRS 11 Joint arrangements (Amendment): Accounting for Acquisitions of Interests in Joint Operations:* The amendment is effective for annual periods beginning on or after 1 January 2016. IFRS 11 addresses the accounting for interests in joint ventures and joint operations. The amendment adds new guidance on how to account for the acquisition of an interest in a joint operation that constitutes a business in accordance with IFRS and specifies the appropriate accounting treatment for such acquisitions. These amendments are not expected to have any impact to the Company

2. Basis of Preparation and Significant Accounting Policies (continued)

- *IFRS 15 Revenue from Contracts with Customers: The standard is effective for annual periods beginning on or after 1 January 2018. IFRS 15 establishes a five-step model that will apply to revenue earned from a contract with a customer (with limited exceptions), regardless of the type of revenue transaction or the industry. The standard's requirements will also apply to the recognition and measurement of gains and losses on the sale of some non-financial assets that are not an output of the entity's ordinary activities (e.g., sales of property, plant and equipment or intangibles). Extensive disclosures will be required, including disaggregation of total revenue; information about performance obligations; changes in contract asset and liability account balances between periods and key judgments and estimates. The Company is currently assessing the impact of IFRS 15 and plans to adopt the new standard on the required effective date.*
- *IAS 27 Separate Financial Statements (amended): The amendment is effective for annual periods beginning on or after 1 January 2016. This amendment will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements and will help some jurisdictions move to IFRS for separate financial statements, reducing compliance costs without reducing the information available to investors. The Company does not expect that this amendment will have an impact on its financial position or performance.*
- *Amendment in IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture: The amendments address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28, in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognized when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. In December 2015 the IASB postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting. The amendments have not yet been endorsed by the EU. These amendments are not expected to have any impact to the Company.*
- *IFRS 10, IFRS 12 and IAS 28: Investment Entities: Applying the Consolidation Exception (Amendments): The amendments address three issues arising in practice in the application of the investment entities consolidation exception. The amendments are effective for annual periods beginning on or after 1 January 2016. The amendments clarify that the exemption from presenting consolidated financial statements applies to a parent entity that is a subsidiary of an investment entity, when the investment entity measures all of its subsidiaries at fair value. Also, the amendments clarify that only a subsidiary that is not an investment entity itself and provides support services to the investment entity is consolidated. All other subsidiaries of an investment entity are measured at fair value. Finally, the amendments to IAS 28 Investments in Associates and Joint Ventures allow the investor, when applying the equity method, to retain the fair value measurement applied by the investment entity associate or joint venture to its interests in subsidiaries. The application of this amendment has no impact on the financial position or performance of the Company since the Company is not an investment entity.*

IAS 1: Disclosure Initiative (Amendment): The amendments to IAS 1 Presentation of Financial Statements further encourage companies to apply professional judgment in determining what information to disclose and how to structure it in their financial statements. The amendments are effective for annual periods beginning on or after 1 January 2016. The narrow-focus amendments to IAS clarify, rather than significantly change, existing IAS 1 requirements. The amendments relate to materiality, order of the notes, subtotals and disaggregation, accounting policies and presentation of items of other comprehensive income (OCI) arising from equity accounted Investments. This amendment affects presentation only and has no impact on the financial position or performance of the Company.
- *The IASB has issued the Annual Improvements to IFRSs 2010 – 2012 Cycle, which is a collection of amendments to IFRSs. The amendments are effective for annual periods beginning on or after February 1, 2015. The below stated improvements are not expected to have a material impact on the presentation of the financial statements or the financial position and performance of the Company.*
 - *IFRS 2 Share-based Payment: This improvement amends the definitions of 'vesting condition' and 'market condition' and adds definitions for 'performance condition' and 'service condition' (which were previously part of the definition of 'vesting condition').*
 - *IFRS 3 Business combinations: This improvement clarifies that contingent consideration in a business acquisition that is not classified as equity is subsequently measured at fair value through profit or loss whether or not it falls within the scope of IFRS 9 Financial Instruments.*
 - *IFRS 8 Operating Segments: This improvement requires an entity to disclose the judgments made by management in applying the aggregation criteria to operating segments and clarifies that an entity shall only provide reconciliations of the total of the reportable segments' assets to the entity's assets if the segment assets are reported regularly.*
 - *IFRS 13 Fair Value Measurement: This improvement in the Basis of Conclusion of IFRS 13 clarifies that issuing IFRS 13 and amending IFRS 9 and IAS 39 did not remove the ability to measure short-term receivables and payables with no stated interest rate at their invoice amounts without discounting if the effect of not discounting is immaterial.*

2. Basis of Preparation and Significant Accounting Policies (continued)

- *IAS 16 Property Plant & Equipment:* The amendment clarifies that when an item of property, plant and equipment is revalued, the gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount.
 - *IAS 24 Related Party Disclosures:* The amendment clarifies that an entity providing key management personnel services to the reporting entity or to the parent of the reporting entity is a related party of the reporting entity.
 - *IAS 38 Intangible Assets:* The amendment clarifies that when an intangible asset is revalued the gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount.
- The IASB has issued the Annual Improvements to IFRSs 2012 – 2014 Cycle, which is a collection of amendments to IFRSs. The amendments are effective for annual periods beginning on or after January 1, 2016. The below stated improvements are not expected to have an impact on the presentation of the financial statements or the financial position and performance of the Company.
 - *IFRS 5 Non-current Assets Held for Sale and Discontinued Operations:* The amendment clarifies that changing from one of the disposal methods to the other (through sale or through distribution to the owners) should not be considered to be a new plan of disposal, rather it is a continuation of the original plan. There is therefore no interruption of the application of the requirements in IFRS 5. The amendment also clarifies that changing the disposal method does not change the date of classification.
 - *IFRS 7 Financial Instruments: Disclosures:* The amendment clarifies that a servicing contract that includes a fee can constitute continuing involvement in a financial asset. Also, the amendment clarifies that the IFRS 7 disclosures relating to the offsetting of financial assets and financial liabilities are not required in the condensed interim financial report.
 - *IAS 19 Employee Benefits:* The amendment clarifies that market depth of high quality corporate bonds is assessed based on the currency in which the obligation is denominated, rather than the country where the obligation is located. When there is no deep market for high quality corporate bonds in that currency, government bond rates must be used.
 - *IAS 34 Interim Financial Reporting:* The amendment clarifies that the required interim disclosures must either be in the interim financial statements or incorporated by cross-reference between the interim financial statements and wherever they are included within the greater interim financial report (e.g., in the management commentary or risk report). The Board specified that the other information within the interim financial report must be available to users on the same terms as the interim financial statements and at the same time. If users do not have access to the other information in this manner, then the interim financial report is incomplete.
 - IFRS 16: Leases: The standard is effective for annual periods beginning on or after 1 January 2019. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract, i.e. the customer (‘lessee’) and the supplier (‘lessor’). The new standard requires lessees to recognize most leases on their financial statements. Lessees will have a single accounting model for all leases, with certain exemptions. Lessor accounting is substantially unchanged. Management is in the process of assessing the impact of the standard on the Company’s financial position or performance.
 - IAS 7 Statement of Cash Flows (Amendments): Disclosure Initiative: The amendments are effective for annual periods beginning on or after 1 January 2017, with earlier application permitted. The objective of these amendments is to enable users of financial statements to evaluate changes in liabilities arising from financing activities. The amendments will require entities to provide disclosures that enable investors to evaluate changes in liabilities arising from financing activities, including changes arising from cash flows and non-cash changes. Management is in the process of assessing the impact of the standard on the Company’s financial position or performance.
- 2.3 Significant accounting policies, judgments, estimates and assumptions:** The preparation of consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the amounts of revenues and expenses recognised during the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.
- Judgments:** In the process of applying the Company’s accounting policies, management has made the following judgments that had a significant effect on the amounts recognised in the consolidated financial statements.
- *Allowance for doubtful trade receivables:* Provisions for doubtful trade receivables are recorded based on management’s expectations on future trade receivables recoveries. Provisions for doubtful trade receivables as of 31 December 2015 and 2014 were \$127 and \$512, respectively.

2 **Basis of Preparation and Significant Accounting Policies (continued)**

Estimates and assumptions: The key assumptions concerning the future and other key sources of estimation uncertainty at the financial position date, that have a significant risk of causing a significant adjustment to the carrying amount of assets and liabilities within the next financial year, are discussed below. The Company based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

- *Carrying amount of vessels, net:* Vessels are stated at cost, less accumulated depreciation (including depreciation of dry-docking costs and the amortization of the component attributable to favourable or unfavourable lease terms relative to market terms) and accumulated impairment losses. The estimates and assumptions that have the most significant effect on the vessels carrying amount are estimations in relation to useful lives of vessels, their residual value and estimated dry docking dates. The key assumptions used are further explained in notes 2.9 to 2.13.
- *Impairment of Non-Financial Assets:* The Company’s impairment test for non-financial assets is based on the assets’ recoverable amount, where the recoverable amount is the greater of fair value less costs to sell and value in use. The Company engaged independent valuation specialists to determine the fair value of non-financial assets as at December 31, 2015. The value in use calculation is based on a discounted cash flow model. The value in use calculation is most sensitive to the discount rate used for the discounted cash flow model as well as the expected net cash flows and the growth rate used for extrapolation. See notes 2.13 and 5.
- *Share based payments:* The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions may require determination of the most appropriate valuation model, which is depended on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including, expected volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in note 13.
- *Fair value measurement of financial instruments:* When the fair values of financial assets and financial liabilities recorded in the statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See Note 24 for further disclosures.

2.4 Accounting for revenue and related expenses: The Company generates its revenues from charterers for the charter hire of its vessels. Vessels are chartered using time charters, bareboat charter and spot charters, where a contract is entered into for the use of a vessel for a specific period of time and a specified daily charter hire rate. If a time charter agreement exists and collection of the related revenue is reasonably assured, revenue is recognised on a straight line basis over the period of the time charter. Such revenues are treated in accordance with IAS 17 as lease income as explained in note 2.23 below. Associated voyage expenses, which primarily consist of commissions, are recognised on a pro-rata basis over the duration of the period of the time charter. Deferred revenue relates to cash received prior to the financial position date and is related to revenue earned after such date.

Interest income: interest income is recognised as interest accrues.

Voyage expenses: Voyage expenses primarily consist of port expenses and owners’ expenses borne and paid by the charterer, canal and bunker expenses that are unique to a particular charter under time charter arrangements or by the Company under voyage charter arrangements. Furthermore, voyage expenses include commission on revenue paid by the Company.

Vessel operating expenses: Vessel operating expenses are accounted for on an accruals basis.

2.5 Foreign currency translation: The functional currency of Globus and its subsidiaries is the U.S. dollar, which is also the presentation currency of the Company, since the Company’s vessels operate in international shipping markets, whereby the U.S. dollar is the currency used for transactions. Transactions involving other currencies during the period are converted into U.S. dollars using the exchange rates in effect at the time of the transactions. At the financial position dates, monetary assets and liabilities, which are denominated in currencies other than the U.S. dollar, are translated into the functional currency using the period-end exchange rate. Gains or losses resulting from foreign currency transactions are included in foreign exchange gains/ (losses), net in the consolidated statement of comprehensive income.

2.6 Cash and cash equivalents: The Company considers highly liquid investments such as time deposits and certificates of deposit with original maturity of three months or less to be cash and cash equivalents.

GLOBUS MARITIME LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Amounts presented in thousands of U.S. Dollars- except for share and per share data, unless otherwise stated)

2 **Basis of Preparation and Significant Accounting Policies (continued)**

- 2.7 Trade receivables, net:** The amount shown as trade receivables at each financial position date includes estimated recoveries from charterers for hire, freight and demurrage billings, net of an allowance for doubtful accounts. Trade receivables are measured at amortized cost less impairment losses, which are recognized in the consolidated statement of comprehensive income. At each financial position date, all potentially uncollectible accounts are assessed individually for the purpose of determining the appropriate allowance for doubtful accounts. The provision for doubtful accounts at December 31, 2015 was \$127 (2014:\$512).
- 2.8 Inventories:** Inventories consist of lubricants and gas cylinders and are stated at the lower of cost or net realisable value. The cost is determined by the first-in, first-out method.
- 2.9 Vessels, net:** Vessels are stated at cost, less accumulated depreciation (including depreciation of dry-docking costs and amortization of components attributable to favourable or unfavourable lease terms relative to market terms) and accumulated impairment losses. Vessel cost consists of the contract price for the vessel and any material expenses incurred upon acquisition (initial repairs, improvements and delivery expenses, interest, commissions paid and on-site supervision costs incurred during the construction periods). Any seller’s credit, i.e., amounts received from the seller of the vessels until date of delivery is deducted from the cost of the vessel. Subsequent expenditures for conversions and major improvements are also capitalised when the recognition criteria are met. Otherwise these amounts are charged to expenses as incurred.
- 2.10 Deferred dry-docking costs:** Vessels are required to be dry-docked for major repairs and maintenance that cannot be performed while the vessels are operating. Dry-dockings occur approximately every 2.5 years. The costs associated with the dry-dockings are capitalised and depreciated on a straight-line basis over the period between dry-dockings, to a maximum of 2.5 years. At the date of acquisition of a vessel, management estimates the component of the cost that corresponds to the economic benefit to be derived until the first scheduled dry-docking of the vessel under the ownership of the Company and this component is depreciated on a straight-line basis over the remaining period through the estimated dry-docking date.
- 2.11 Depreciation:** The cost of each of the Company’s vessels is depreciated on a straight-line basis over each vessel’s remaining useful economic life, after considering the estimated residual value of each vessel, beginning when the vessel is ready for its intended use. Management estimates that the useful life of new vessels is 25 years, which is consistent with industry practice. The residual value of a vessel is the product of its lightweight tonnage and estimated scrap value per lightweight ton. The residual values and useful lives are reviewed at each reporting date and adjusted prospectively, if appropriate. During the fourth quarter of 2015, the Company reduced the scrap rate from \$335/ton to \$240/ton due to the reduced scrap rates worldwide. This resulted to an extra depreciation expense of \$91 included in the consolidated statement of comprehensive loss/income for 2015.
- 2.12 Amortization of lease component:** When the Company acquires a vessel subject to an operating lease, it amortizes the amount reflected in the cost of that vessel that is attributable to favourable or unfavourable lease terms relevant to market terms, over the remaining term of the lease. The amortization is included in line “amortization of fair value of time charter attached to vessels” in the income statement component of the consolidated statement of comprehensive income.
- 2.13 Impairment of non-financial assets:** The Company assesses at each reporting date whether there is an indication that a vessel may be impaired. The vessel’s recoverable amount is estimated when events or changes in circumstances indicate the carrying value may not be recoverable. If such indication exists and where the carrying value exceeds the estimated recoverable amounts, the vessel is written down to its recoverable amount. The recoverable amount is the greater of fair value less costs to sell and value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the vessel. Impairment losses are recognised in the consolidated statement of comprehensive income. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset’s recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the consolidated statement of comprehensive income. After such a reversal, the depreciation charge is adjusted in future periods to allocate the asset’s revised carrying amount, less any residual value, on a systematic basis over its remaining useful life. See note 5
- 2.14 Long-term debt:** Long-term debt is initially recognised at the fair value of the consideration received net of financing costs directly attributable to the borrowing. After initial recognition, long-term debt is subsequently measured at amortized cost using the effective interest rate method. Amortized cost is calculated by taking into account any financing costs and any discount or premium on settlement. Gains and losses are recognised in net profit or loss when the liabilities are derecognised or impaired, as well as through the amortization process.

2. Basis of Preparation and Significant Accounting Policies (continued)

- 2.15 Financing costs:** Fees incurred for obtaining new loans or refinancing existing loans are deferred and amortized over the life of the related debt, using the effective interest rate method. Any unamortized balance of costs relating to loans repaid or refinanced is expensed in the period the repayment or refinancing is made.
- 2.16 Borrowing costs:** Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds. Borrowing costs are expensed to the income statement component of the consolidated statement of comprehensive income as incurred under “interest expense and finance costs” except borrowing costs that relate to a qualifying asset. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use. Borrowing costs that relate to qualifying assets are capitalised. For the years ended December 31, 2015, 2014 and 2013, the Company had no qualifying assets.
- 2.17 Operating segment:** The Company reports financial information and evaluates its operations by charter revenues and not by other factors such as length of ship employment for its customers i.e., spot or time charters or type of vessel. The Company does not use discrete financial information to evaluate the operating results for each such type of charter. Although revenue can be identified for these types of charters, management cannot and does not identify expenses, profitability or other financial information for these charters. As a result, management, including the chief operating decision maker, reviews operating results solely by revenue per day and operating results of the fleet and thus the Company has determined that it operates as one operating segment. Furthermore, when the Company charters a vessel to a charterer, the charterer is free to trade the vessel worldwide and, as a result, the disclosure of geographical information is impracticable.
- 2.18 Provisions and contingencies:** Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and, a reliable estimate of the amount of the obligation can be made. Provisions are reviewed at each financial position date and adjusted to reflect the present value of the expenditure expected to be required to settle the obligation. Contingent liabilities are not recognized in the financial statements but are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote, in which case there is no disclosure. Contingent assets are not recognized in the financial statements but are disclosed when an inflow of economic benefits is probable.
- 2.19 Pension and retirement benefit obligations:** The crew on board the vessels owned by the ship-owning companies owned by Globus is under short-term contracts (usually up to nine months) and, accordingly, no one is liable for any pension or post-retirement benefits payable to the crew.

Provision for employees’ severance compensation: The Greek employees, of the Company are bound by the Greek Labour law. Accordingly, compensation is payable to such employees upon dismissal or retirement. The amount of compensation is based on the number of years of service and the amount of remuneration at the date of dismissal or retirement. If the employees’ remain in the employment of the Company until normal retirement age, they are entitled to retirement compensation which is equal to 40% of the compensation amount that would be payable if they were dismissed at that time.

The number of employees that will remain with the Company until retirement age is not known. The Company has provided for the employees’ retirement compensation liability, an amount of \$73 as at December 31, 2015 (2014:\$69), calculated by using the Projected Unit Credit Method and disclosed under non-current liabilities in the consolidated statement of financial position.

- 2.20 Offsetting of financial assets and liabilities:** Financial assets and liabilities are offset and the net amount is presented in the consolidated financial position only when the Company has a legally enforceable right to set off the recognised amounts and intend either to settle such asset and liability on a net basis or to realize the asset and settle the liability simultaneously.
- 2.21 Derecognition of financial assets and liabilities:**

- (i) Financial assets: A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised where:
- the rights to receive cash flows from the asset have expired;
 - the Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a “pass-through” arrangement; or
 - the Company has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the assets, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

2 **Basis of Preparation and Significant Accounting Policies (continued)**

- Where the Company has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Company’s continuing involvement in the asset.
- Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.
- (ii) Financial liabilities: A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.
- Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and, the difference in the respective carrying amounts is recognised in profit or loss.
- 2.22 **Leases – where the Company is the lessee:** Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the income statement component of the consolidated statement of comprehensive income on a straight-line basis over the period of the lease.
- 2.23 **Leases – where an entity is the lessor:** Leases of vessels where the entity does not transfer substantially all the risks and benefits of ownership of the vessel are classified as operating leases. Lease income on operating leases is recognised on a straight-line basis over the lease term. Contingent rents are recognised as revenue in the period in which they are earned.
- 2.24 **Insurance:** The Company recognizes insurance claim recoveries for insured losses incurred on damage to vessels. Insurance claim recoveries are recorded, net of any deductible amounts, at the time the Company’s vessels suffer insured damages. They include the recoveries from the insurance companies for the claims, provided there is evidence the amounts are virtually certain to be received.
- 2.25 **Share based compensation:** Globus operates equity-settled, share-based compensation plans. The value of the service received in exchange of the grant of shares is recognized as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the share awards at the grant date. The relevant expense is recognized in the income statement component of the consolidated statement of comprehensive income, with a corresponding impact in equity.
- 2.26 **Share capital:** Common shares and preferred shares are classified as equity. Incremental costs directly attributable to the issue of new shares are recognised in equity as a deduction from the proceeds.
- 2.27 **Dividends:** Dividends to shareholders are recognised in the period in which the dividends are declared and appropriately authorised and are accounted for as dividends payable until paid.
- 2.28 **Derivative financial instruments at fair value through profit and loss:** Derivative financial instruments are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at fair value. Historically, the Company’s derivative financial instruments have not qualified for hedge accounting; therefore changes in the fair value of these instruments are recognised immediately in the income statement component of the consolidated statement of comprehensive income.
- 2.29 **Non-current assets held for sale:** Non-current assets and disposal groups classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell. If the carrying amount exceeds fair value less costs to sell, the Company recognises a loss under reversal of impairment/ (impairment loss) in the income statement component of the consolidated statement of comprehensive income, if the non-current asset or disposal group is subsequently remeasured at fair value less costs to sell, any difference with the carrying amount is recognised under reversal of impairment/ (impairment loss) in the income statement component of the consolidated statement of comprehensive income.

2 Basis of Preparation and Significant Accounting Policies (continued)

Non-current assets and disposal groups are classified as held for sale if their carrying amounts will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a complete sale within one year from the date of classification. Events or circumstances may extend the period to complete the sale beyond one year. An extension of the period required to complete a sale does not preclude an asset from being classified as held for sale if the delay is caused by events or circumstances beyond the entity’s control and there is sufficient evidence that the entity remains committed to its plan to sell the asset. Non-current assets once classified as held for sale are not depreciated or amortized. If the Company has classified an asset as held for sale but the criteria discussed above are no longer met, the Company ceases to classify the asset as held for sale. The Company measures a non-current asset that ceases to be classified as held for sale at the lower of a) its carrying amount before the asset was classified as held for sale, adjusted for any depreciation, amortization or revaluation that would have been recognised had the asset not been classified as held for sale and b) its recoverable amount at the date of the subsequent decision to cease classifying the asset as held for sale. The Company includes any adjustment to the carrying amount of an asset that ceases to be classified as held for sale in the consolidated statement of comprehensive income in the period the criteria are no longer met. Refer to note 5.

2.30 **Fair value measurement:** The Company measures financial instruments, such as, derivatives, and non-financial assets such as vessels held for sale, at fair value at each reporting date. In addition fair values of financial instruments measured at amortised cost are disclosed in note 24. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either, a) in the principal market for the asset or the liability or b) in the absence of a principal market, in the most advantageous market for the asset or liability both being accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that the market participants would use when pricing the asset or liability, assuming that the market participants act in their best economic interest. A fair value measurement of a non-financial asset takes into account the a market participant’s ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

The Company uses the following hierarchy for determining and disclosing the fair value of assets and liabilities by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

For assets and liabilities that are recognised in the consolidated financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by reassessing categorization at the end of each reporting period.

The Company engaged independent valuation specialists to determine the fair value of non-financial assets

2.31 **Current versus non-current classification:** The Company presents assets and liabilities in the statement of financial position based on current/non-current classification.

An asset as current when it is:

- Expected to be realised or intended to be sold or consumed in a normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period
- Cash or cash equivalent

All other assets are classified as non-current.

GLOBUS MARITIME LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Amounts presented in thousands of U.S. Dollars- except for share and per share data, unless otherwise stated)

2 **Basis of Preparation and Significant Accounting Policies (continued)**

- A liability is current:
- It is expected to be settled in a normal operating cycle
 - It is held primarily for the purpose of trading
 - It is due to be settled within twelve months after the reporting period
 - There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.
- All other liabilities are classified as non-current

3 **Cash and cash equivalents and Restricted cash**

For the purpose of the consolidated statement of financial position, cash and cash equivalents comprise the following:

	December 31,	
	2015	2014
Cash on hand	17	5
Cash at Banks	236	3,978
Bank deposits	1,752	1,100
Total	2,005	5,083

Cash held in banks earns interest at floating rates based on daily bank deposit rates. Bank deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Company and earn interest at the respective bank deposit rates.

The fair value of cash and cash equivalents as at December 31, 2015 and 2014 was \$2,005 and \$5,083 respectively. In addition as of December 31, 2015, the Company had available \$5.4 million (2014:\$500) of undrawn borrowing facilities (note 12).

As at December 31, 2015, the Company had pledged an amount of \$500 (\$1,000 as at December 31, 2014) in order to fulfil collateral requirements. The fair value of restricted cash as at December 31, 2015 and 2014 was \$500 and \$1,000 (Refer to note 12 for further details).

4 **Transactions with Related Parties**

The ultimate controlling party of the Company is Mr. George Feidakis who beneficially owns 4,724,475 common shares through Firment Trading Limited, a Cypriot company controlled by Mr Feidakis, and 480,000 common shares through F.G. Europe S.A. a Greek company listed on the Athens Exchange in which Mr Feidakis acts as the chairman of the Board of Directors and holds the majority of the outstanding shares. As at December 31, 2015 and 2014, Mr Feidakis beneficially owned 50.4% and 50.8%, respectively, of Globus’ shares.

The following are the major transactions which the Company has entered into with related parties during the years ended December 31, 2015, 2014 and 2013:

On August 20, 2006, Globus Shipmanagement Corp. entered into a rental agreement for 350 square metres of office space for its operations within a building owned by Cyberonica S.A. (a company related through common control). Rental expense is Euro 14,578 (\$16) per month up to August 20, 2015, which was silently extended until December 31, 2015. The rental agreement provides for an annual increase in rent of 2% above the rate of inflation as set by the Bank of Greece. The rental agreement runs for 9 years and can be terminated by the Company with 6 months’ notice. During the years ended December 31, 2015, 2014 and 2013, rent expense was \$195, \$234 and \$232, respectively.

The expense is recognised in the income statement component of the consolidated statement of comprehensive loss/income under administrative expenses payable to related parties. As of December 31, 2015 and 2014, \$191 and \$35 of rent expense respectively was due and unpaid. Rent expense payable to related parties is classified as trade accounts payable in the consolidated statement of financial position.

In October 2011 Globus Shipmanagement Corp. hired Athanasios Feidakis a close family member of the Company’s ultimate controlling party. Athanasios Feidakis annual gross compensation was approximately Euro38,000 (\$52). As of July 1, 2013 Athanasios Feidakis became a non-executive director of the Company. For the year ended December 31 2013 total gross compensation of Athanasios Feidakis was \$26. The expense was recognised in the income statement component of the consolidated statement of comprehensive loss/income under administrative expenses payable to related parties.

GLOBUS MARITIME LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Amounts presented in thousands of U.S. Dollars- except for share and per share data, unless otherwise stated)

4 Transactions with Related Parties (continued)

As of December 28, 2015, Athanasios Feidakis assumed the position of Chief Executive Officer and Chief Financial Officer. His remuneration will remain at \$60 per annum as it was in 2015 and 2014 according to his compensation agreement as a Director of the Company.

In December 2013, Globus entered into a credit facility for up to \$4.0 million with Firment Trading Limited, a related through common control company, for the purpose of financing its general working capital needs. Effective from December 2014, through a supplemental agreement in April 2015, the credit limit of the facility increased from \$4.0 to \$8.0 million, and in December 2015, through a second supplemental agreement, the credit limit of the facility increased from \$8.0 to \$20.0 million. In December 2015, through a third supplemental agreement, the Firment Credit Facility was assigned from Firment Trading Limited, a Cypriot company, to Firment Trading Limited, a Marshall Islands corporation, each of which is a company related through common control. The Company has the right to drawdown any amount up to \$20.0 million or prepay any amount, during the availability period, in multiples of \$0.1 million. As of December 31, 2015 and 2014 the amounts drawn and outstanding with respect to the facility were \$14,600 and \$7,500, respectively, and were classified under “long-term borrowing” in the consolidated statement of financial position, since the maturity dates were beyond one year from each financial position date. For the years ended December 31, 2015 and 2014 Globus recognised interest expense of \$460 and \$49 respectively. The expense is classified in the income statement component of the consolidated statement of comprehensive income under interest expense and finance costs and interest payable is classified in the statement of financial position under accrued liabilities and other payables. As of December 31, 2015 there was an amount of \$5.4 million (2014:\$500) available to be drawn under the credit facility.

Compensation of Key Management Personnel of the Company:

Compensation to Globus non-executive directors is analysed as follows:

	For the year ended December 31,		
	2015	2014	2013
Director’s remuneration	185	185	165
Share-based payments (note 13)	60	60	50
Total	245	245	215

As of December 31, 2015 and 2014, \$302 and \$117 of the compensation to non-executive directors was remaining due and unpaid, respectively. Amounts payable to non-executive directors are classified as trade accounts payable in the consolidated statement of financial position.

Compensation to the Company’s executive directors is analysed as follows:

	For the year ended December 31,		
	2015	2014	2013
Short-term employee benefits	85	103	197
Share-based payments (note 13)	-	-	(239)
Total	85	103	(42)

Short-term employee benefits are recognised in the income statement component of the consolidated statement of comprehensive loss/income under administrative expenses payable to related parties.

GLOBUS MARITIME LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Amounts presented in thousands of U.S. Dollars- except for share and per share data, unless otherwise stated)

5 **Vessels, net**

The amounts in the consolidated statement of financial position are analysed as follows:

	Vessels cost	Vessels depreciation	Dry docking costs	Depreciation of dry docking costs	Fair value of time charter attached	Amortization of fair value of time charter attached	Net Book Value
Balance at January 1, 2013	227,127	(89,137)	3,284	(2,462)	4,650	(2,602)	140,860
Depreciation & Amortization	-	(5,588)	-	(434)	-	(1,261)	(7,283)
Balance at December 31, 2013	227,127	(94,725)	3,284	(2,896)	4,650	(3,863)	133,577
Additions	-	-	1,458	-	-	-	1,458
Vessel ceased to be classified as held for sale	13,320	-	286	-	-	-	13,606
Depreciation & Amortization	-	(5,585)	-	(574)	-	(746)	(6,905)
Balance at December 31, 2014	240,447	(100,310)	5,028	(3,470)	4,650	(4,609)	141,736
Additions/ (Dry Docking Component)	(600)	-	1,581	-	-	-	981
Sale of vessel	(5,179)	-	-	(169)	-	-	(5,348)
Impairment loss	(20,144)	-	-	-	-	-	(20,144)
Depreciation & Amortization	-	(6,047)	-	(1,062)	-	(41)	(7,150)
Balance at December 31, 2015	215,524	(106,357)	6,609	(4,701)	4,650	(4,650)	110,075

For the purpose of the consolidated statement of comprehensive income, depreciation, as stated in the income statement component, comprises the following:

	For the year ended December 31,		
	2015	2014	2013
Vessels Depreciation	6,047	5,585	5,588
Depreciation on office furniture and equipment	38	39	34
Total	6,085	5,624	5,622

Vessel classified as held for sale: Pursuant to a board of directors’ resolution on December 4, 2012, the Company decided to actively market for sale the vessel m/v Tiara Globe. The Company considered that the vessel met the criteria described in note 2.29 to be classified as held for sale and measured at the lower of its carrying amount and fair value less cost to sell. In this respect, the Company recognized an impairment loss of \$24,443 at that time. By a board of directors’ resolution on November 20, 2013, the Company decided to continue to actively market for sale the vessel m/v Tiara Globe and extend the period that the vessel is classified as held for sale beyond a financial year. As of December 31, 2013 the vessel was measured at a fair value of \$11,767, less estimated cost to sell of \$401, less deferred dry docking costs of \$811 resulting in a reversal of impairment of \$1,679 when compared to its fair value less cost to sell as of December 31, 2012 of \$8,876. As of December 31, 2014 the Company decided that the vessel no longer met the criteria to be classified as held for sale and was subsequently measured at its recoverable amount at that date of \$13,606 resulting in an impairment reversal of \$2,240. The vessel’s recoverable amount was based on its estimated value in use and the methodology followed is described below with reference to the Impairment of non-financial assets. Refer also to note 2.13.

GLOBUS MARITIME LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Amounts presented in thousands of U.S. Dollars- except for share and per share data, unless otherwise stated)

5 Vessels, net (continued)

Impairment of non-financial assets: As of December 31, 2015 the Company performed an assessment on whether there is an indication that a vessel may be impaired. Discounted future cash flows for each vessel were determined and compared to the vessel’s carrying value. The projected net discounted future cash flows for the first three years were determined by considering an estimate daily time charter equivalent based on the most recent blended (for modern and older vessels) one-year time charter rate available for each type of vessel. For the remaining useful life of the vessels the Company used the historical ten-year blended average one-year time charter rates substituting for the years 2007 and 2008 that were considered as extreme values, with the years 2004 and 2005. The rates were adjusted assuming an annual growth rate as published by the International Monetary Fund, net of commissions. Expected outflows for scheduled vessels maintenance were taken into consideration as well as vessel operating expenses assuming an average annual inflation rate of approximately 4%. The average time charter rates used were in line with the overall chartering strategy, especially in periods/years of depressed charter rates; reflecting the full operating history of vessels of the same type and particulars with the Company’s operating fleet (Supramax and Panamax vessels with a deadweight (“dwt”) of over 50,000 and 70,000, respectively) and they covered at least one full business cycle. The average annual inflation rate applied on vessels’ maintenance and operating costs approximated current projections for global inflation rate for the remaining useful life of the Company’s vessels. Effective fleet utilization was assumed at 90% (including ballast days), taking into account the period(s) each vessel is expected to undergo her scheduled maintenance (dry-docking and special surveys), as well as an estimate of the period(s) needed for finding suitable employment and off-hire for reasons other than scheduled maintenance, assumptions in line with the Company’s expectations for future fleet utilization under the current fleet deployment strategy.

In July 2015 m/v Tiara was sold and the Company recognized an impairment loss of \$7,745. As of December 31, 2015 the Company concluded that the recoverable amount of m/v Energy Globe was lower than its carrying amount and recognized an impairment loss of \$12,399. As of December 31, 2014 and 2013 no impairment loss was recognized as the vessels’ recoverable amounts exceeded their carrying amounts.

Vessels	(Impairment loss)/Reversal of impairment For the year ended December 31,		
	2015	2014	2013
m/v Tiara Globe (vessel ceased to be classified as held for sale)	(7,745)	2,240	1,679
m/v Energy Globe	(12,399)	-	-
(Impairment loss)/Reversal of impairment	(20,144)	2,240	1,679

Fair value of time charter attached to vessels: During the year ended December 31, 2011, the Company acquired m/v Moon Globe for a purchase price of \$31,400 and m/v Sun Globe for a purchase price of \$30,300. Both vessels were acquired subject to time charters with favourable terms relative to the market. The Company estimated, as of the date of acquisition, the amount included in the cost of the aforementioned vessels that was attributable to the favourable terms of the time charters relative to market terms to be \$2,150 for m/v Moon Globe and \$2,500 for m/v Sun Globe. These amounts are amortized on a straight line basis over the remaining term of the respective time charters, which was June 2013, for m/v Moon Globe and January 2015, for m/v Sun Globe. Amortization for the year amounted to \$41 and is included in the income statement component of the consolidated statement of comprehensive loss/income under amortization of fair value of time charter attached to vessels. As of December 31, 2015 the fair value of time charter attached to vessels were fully amortized.

The Company’s vessels have been pledged as collateral to secure the bank loans discussed in note 12.

6 Inventories

Inventories in the consolidated statement of financial position are analysed as follows:

	December 31,	
	2015	2014
Lubricants (at cost)	399	389
Gas cylinders (at cost)	54	52
Total	453	441

GLOBUS MARITIME LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Amounts presented in thousands of U.S. Dollars- except for share and per share data, unless otherwise stated)

7 Prepayments and other assets

Prepayments and other assets in the consolidated statement of financial position are analysed as follows:

	December 31,	
	2015	2014
Interest receivable	2	1
Bunkers	753	2,083
Other prepayments and other assets	296	450
Total	1,051	2,534

8 Trade accounts payable

Trade accounts payable in the consolidated statement of financial position as at December 31, 2015 and 2014, amounted to \$4,011 and \$2,607, respectively. Trade accounts payable are non-interest bearing and are normally settled on 60-day terms.

9 Accrued liabilities and other payables

Accrued liabilities and other payables in the consolidated statement of financial position are analysed as follows:

	December 31,	
	2015	2014
Accrued interest	587	53
Accrued audit fees	78	84
Other accruals	861	864
Insurance deductibles	214	100
Dividend payable on Preferred Shares (note 17)	14	70
Other payables	48	209
Total	1,802	1,380

- Interest is normally settled quarterly throughout the year.
- Other payables are non-interest bearing and are normally settled on monthly terms.

10 Share Capital and Share Premium

The authorised share capital of Globus consisted of the following:

	December 31,		
	2015	2014	2013
Authorised share capital:			
500,000,000 Common Shares of par value \$0.004 each	2,000	2,000	2,000
100,000,000 Class B common shares of par value \$0.001 each	100	100	100
100,000,000 Preferred shares of par value \$0.001 each	100	100	100
Total authorised share capital	2,200	2,200	2,200

Holders of the Company’s common shares and Class B shares have equivalent economic rights, but holders of Company’s common shares are entitled to one vote per share and holders of the Company’s Class B shares are entitled to twenty votes per share. Each holder of Class B shares may convert, at its option, any or all of the Class B shares held by such holder into an equal number of common shares.

Common Shares issued and fully paid	Number of shares	USD
As at January 1, 2013	10,207,517	40,830
Issued during the year (share based compensation note 13)	19,841	79
As at December 31, 2013	10,227,358	40,909
Issued during the year (share based compensation note 13)	18,306	73
As at December 31, 2014	10,245,664	40,982
Issued during the year (share based compensation note 13)	73,487	294
As at December 31, 2015	10,319,151	41,276

GLOBUS MARITIME LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Amounts presented in thousands of U.S. Dollars- except for share and per share data, unless otherwise stated)

10 Share Capital and Share Premium (continued)

During the years ended December 31, 2015, 2014 and 2013, Globus issued 73,487, 18,306 and 19,841 common shares respectively as share-based payments. In addition during 2015, 31,777 common shares have been granted and vested as share-based payments, but not issued as of December 31, 2015 (note 13).

Series A Preferred Shares issued	Number of shares	USD
As a January 1, 2013	3,347	3
Shares redeemed by the issuer	(780)	(1)
As at December 31, 2013	2,567	2
Issued during the year	-	-
As at December 31, 2014	2,567	2
Issued during the year	-	-
As at December 31, 2015	2,567	2

The holders of Company’s series A preferred shares are entitled to receive, if funds are legally available, dividends payable in cash in an amount per share to be determined by unanimous resolution of Company’s Remuneration Committee, in its sole discretion. Company’s board of directors or Remuneration Committee will determine whether funds are legally available under the Marshall Islands Business Corporations Act (“BCA”) for such dividend. Any accrued but unpaid dividends will not bear interest. Except as may be provided in the BCA, holders of Globus series A preferred shares do not have any voting rights. Upon the Company’s liquidation, dissolution or winding up, the holders of its series A preferred shares will be entitled to a preference in the amount of the declared and unpaid dividends, if any, as of the date of liquidation, dissolution or winding up. Globus series A preferred shares are not convertible into any of its other capital stock.

On January 8, 2013 the Company’s Chief Financial Officer stepped down from his position. Upon his resignation 780 preferred shares of series A, granted to him on April 20, 2012 were redeemed.

As of December 31, 2015, 2014 and 2013 no Class B shares were issued.

Share premium includes the contribution of Globus’ shareholders to the acquisition of the Company’s vessels. Additionally, share premium includes the effects of the acquisition of non-controlling interest, the effects of the Globus initial and follow-on public offerings and the effects of the share based payments described in note 13. Accordingly at December 31, 2015, 2014 and 2013, Globus share premium amounted to \$109,923, \$109,863 and \$109,803, respectively.

11 Earnings/(loss) per Share

Basic earnings/(loss) per share (“EPS”/ “LPS”) is calculated by dividing the net profit/(loss) for the year attributable to Globus shareholders by the weighted average number of shares issued, paid and outstanding.

Diluted earnings/(loss) per share is calculated by dividing the net profit/(loss) attributable to common equity holders of the parent by the weighted average shares outstanding during the year plus the weighted average number of common shares that would be issued on the conversion of all the dilutive potential common shares into common shares.

The following reflects the earnings/ (loss) and share data used in the basic and diluted loss per share computations:

	2015	For the year ended December 31,	
		2014	2013
(Loss)/Net profit) for the year	(32,396)	3,212	5,677
Less: Dividends on preferred shares (note 17)	(448)	(293)	(330)
(Loss)/Net profit attributable to common equity holders	(32,844)	2,919	5,347
Weighted average number of shares for basic & diluted EPS	10,266,690	10,234,361	10,215,997

GLOBUS MARITIME LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Amounts presented in thousands of U.S. Dollars- except for share and per share data, unless otherwise stated)

12 Long-Term Debt, net

Long-term debt in the consolidated statement of financial position is analysed as follows:

	Borrower	Loan Balance	Unamortized Debt Discount	Total Borrowings
(a)	Devocean Maritime LTD., Domina Maritime LTD. & Dulac Maritime S.A.	27,324	(228)	27,096
(b)	Kelty Marine Ltd.	15,650	(33)	15,617
(c)	Artful Shipholding S.A. & Longevity Maritime Limited	21,004	(72)	20,932
(d)	Globus Maritime Limited-Firment Trading Limited (note 4)	14,600	-	14,600
	Total at December 31, 2015	78,578	(333)	78,245
	Less: Current Portion	(63,978)	(333)	(63,645)
	Long-Term Portion	14,600	-	14,600
	Total at December 31, 2014	84,580	(192)	84,388
	Less: portion associated with the security value shortfall. Refer to (b)	2,092	-	2,092
	Less: Current Portion	42,138	(87)	42,051
	Long-Term Portion	40,350	(105)	40,245

(a) In February 2015, Devocean Maritime Ltd., Domina Maritime Ltd and Dulac Maritime S.A. (“Devocean et al.”), vessel owning companies of m/v River Globe, m/v Sky Globe and m/v Star Globe, respectively, entered into a loan agreement for up to \$30,000 with HSH Nordbank AG (“the bank”) for the purpose of part prepaying the then outstanding secured reducing revolving credit facility with Credit Suisse AG. The loan facility is in the names of Devocean Maritime Ltd., Domina Maritime Ltd and Dulac Maritime S.A. as the borrowers and is guaranteed by Globus (“Guarantor”). The loan facility bears interest at LIBOR plus a margin of 3.00% for interest periods of three months and 3.10% for interest periods of one month.

On March 3, 2015, Devocean et al. drew down \$29,405 analyzed as follows:

Tranche (A) of \$8,580 for the purpose of prepaying to Credit Suisse AG the amount outstanding with respect to the m/v River Globe. The balance outstanding of tranche (A) at December 31, 2015, was \$7,863 payable in 16 equal quarterly installments of \$239 starting, March 2016, as well as a balloon payment of \$4,039 due together with the 16th and final installment due in December 2019.

Tranche (B) of \$10,100 for the purpose of prepaying to Credit Suisse AG the amount outstanding with respect to the m/v Sky Globe. The balance outstanding of tranche (B) at December 31, 2015, was \$9,410 payable in 16 equal quarterly installments of \$230 starting, March 2016, as well as a balloon payment of \$5,730 due together with the 16th and final installment due in December 2019.

Tranche (C) of \$10,725 for the purpose of prepaying to Credit Suisse AG the amount outstanding with respect to the m/v Star Globe. The balance outstanding of tranche (C) at December 31, 2015, was \$10,051 payable in 16 equal quarterly installments of \$225 starting, March 2016, as well as a balloon payment of \$6,452 due together with the 16th and final installment due in December 2019.

The loan is secured as follows:

- First preferred mortgage over m/v River Globe, m/v Sky Globe and m/v Star Globe.
- Guarantees from the vessel owning companies and from Globus.
- First preferred assignment of all insurances and earnings of the mortgaged vessels.

The loan agreement contains various covenants requiring the vessels owning companies and Globus to, amongst others things, ensure that:

- the aggregate fair market value of the mortgaged vessels must equal or exceed 125% of the outstanding balance under the loan agreement.
- the ratio of Globus’s total liabilities to its market adjusted total assets shall always be not higher than 75%.
- the Company maintain a minimum market adjusted net worth of more than or equal \$30,000.
- the vessel owning subsidiaries must each maintain a minimum liquidity of \$250 in an account pledged to the bank,
- The Company shall maintain a minimum liquidity of greater than 5% of its consolidated indebtedness.

GLOBUS MARITIME LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Amounts presented in thousands of U.S. Dollars- except for share and per share data, unless otherwise stated)

12 Long-Term Debt, net (continued)

On March 3, 2015, following the drawdown of the HSH Nordbank AG loan the Company prepaid \$30,000 to Credit Suisse AG reducing the balance due to Credit Suisse AG to \$5,000, which was settled in July 2015.

As of December 31, 2015, the Company was not in compliance with the four out of the five covenants:

- the aggregate fair market value of the mortgaged vessels was not equal or exceeded 125% of the outstanding balance under the loan agreement. As of December 31, 2015 it was 89.7%.
- the ratio of Globus’s total liabilities to its market adjusted total assets was not lower than 75%. As of December 31, 2015 this ratio was 141%.
- the Company minimum market adjusted net worth was not equal or more than \$30,000. As of December 31, 2015 the Company’s market adjusted net worth was \$(24,540).
- the Company’s minimum liquidity was not greater than 5% of its consolidated indebtedness. As of December 31, 2015 the Company’s liquidity was \$2,505 while the requirement was for \$3,912.

In March 2016 the Company repaid the principal instalment of \$694. During April 2016, Globus reached an agreement in principle (which is subject to completing final documentation) with HSH Nordbank AG on certain amendments and waivers to the terms of the loan agreement. It was agreed the Company to receive relaxations and/or waivers until March 2017 regarding the financial covenants. More specifically the following were agreed:

- the aggregate fair market value of the mortgaged vessels must equal or exceed 60% of the outstanding balance under the loan agreement instead of 125%.
- the ratio of Globus’s total liabilities to its market adjusted total assets shall always be not higher than 200% instead of 75%.
- the Company maintain a minimum market adjusted net worth of more than or equal \$30,000 was waived
- the vessel owning subsidiaries must each maintain a minimum liquidity of \$70 in an account pledged to the bank instead of \$250.
- The Company shall maintain a minimum liquidity of greater than 5% of its consolidated indebtedness was waived.

It was agreed that the Company will pay the June 2016 installment using the pledged cash of \$750, that was already deposited in HSH accounts and that the scheduled installments due in September and December, 2016, each amounting to \$694, will be deferred to March 2017 (the “deferred amounts”). At that time, a cash sweep mechanism under which any excess, over a predefined TCE level, cash earned up to then, will be applied to reduce the deferred amounts (with any remaining balance of them being deferred to the balloon payment).

- (b)** In June 2010, Kelty Marine Ltd entered into a loan agreement (“Kelty Loan Agreement”) for \$26,650 with Commerzbank AG (“the bank”) for the purpose of part financing the acquisition of m/v Jin Star. The loan facility is in the name of Kelty Marine Ltd as the borrower and is guaranteed by Globus (“Guarantor”). The loan facility bears interest at LIBOR plus a margin of 2.25% if the ratio of the outstanding loan to the market value of m/v Jin Star and any additional security provided at the time being, plus any amount of minimum free liquidity maintained with the bank (Loan to Value ratio, “LtV”) is less than 45%, a margin of 2.40% if the LtV is equal to or exceeds 45% but is less than or equal to 60%, a margin of 2.50% if the LtV exceeds 60% but is less than or equal to 70% and a margin of 2.75% if the LtV exceeds 70%. The balance outstanding at December 31, 2015, was \$ 15,650 payable in 6 equal quarterly instalments of \$500 starting March 2016, as well as a balloon payment of \$12,650 due together with the 6th and final installment due in June 2017.

The loan is secured as follows:

- First preferred mortgage over m/v Jin Star.
- Guarantees from the vessel owning company and from Globus.
- First preferred assignment of all insurances and earnings of the mortgaged vessel as well as of the bareboat charter agreement attached to the vessel and ended during January 2015.

The loan agreement contains various covenants requiring Kelty Marine Ltd to, amongst others things, ensure that

- the ratio of the Company’s shareholders’ equity to total assets is not less than 25%.
- the Guarantor must have a minimum equity of \$50 million.
- the market value of each vessel and any additional security provided, including the minimum liquidity of \$1,000 with the bank, is or exceeds 130% of the loan balance outstanding.
- the Borrower and or the Guarantor to maintain at the end of each accounting period and all other times during the security period, cash and bank balances and bank deposits of at least \$1,000 with the bank.

12 Long-Term Debt, net (continued)

As of December 31, 2015, the Company was not in compliance with the security value requirement that requires the market value of the m/v Energy Globe (formerly called m/v Jin Star) and any additional security provided, including the minimum liquidity with the lender, to be equal or greater than 130% (the actual ratio achieved was 80%) of the aggregate principal amount of debt outstanding under the Kelty Loan Agreement. The Company was also not in compliance with the minimum liquidity of \$1 million with Commerzbank (the actual liquidity was \$0.5 million) and the requirement of a minimum equity of \$50 million (the actual equity was \$30.5 million).

In March 2016, the Company reached a settlement agreement with Commerzbank relating to the Kelty Loan Agreement. Commerzbank agreed to settle the outstanding indebtedness of \$15.65 million in return for the sale of the shares of Kelty Marine Ltd. for \$6.86 million plus overdue interest of \$40.7. If the total amount of cash and bank balances and bank deposits exceeds \$10 million in the aggregate as declared on June 30, 2016 then the Company must pay to Commerzbank any excess amounts. If there is no excess, Globus will be released from its guarantee.

- (c) In June 2011, Globus through its wholly owned subsidiaries, Artful Shipholding S.A. and Longevity Maritime Limited, entered into the DVB Loan Agreement for an amount up to \$40.0 million with DVB Bank SE and used funds borrowed thereunder to finance part of the purchase price for the m/v Moon Globe and m/v Sun Globe. Globus acts as guarantor for this loan.

The loan is secured as follows:

- First preferred mortgage over m/v Moon Globe and m/v Sun Globe.
- Guarantees from the vessel owning companies and from Globus.
- First preferred assignment of all insurances and earnings of the mortgaged vessels.

The loan agreement contains various covenants requiring the vessels owning companies to, amongst others things, ensure that:

- the aggregate fair market value of the m/v Sun Globe and the m/v Moon Globe must equal or exceed 130% of the outstanding balance under the loan agreement less any cash up to \$1,000 held in the operating accounts pledged to the lender.
- the ratio of the Company’s market adjusted net worth to total assets must be greater than 35%.
- the company maintain a minimum market adjusted net worth of more than \$50,000.
- the vessel owning subsidiaries must each maintain a minimum liquidity of \$500 in an account pledged to the Bank,
- a minimum liquidity of the lesser of \$10,000 and \$1,000 per vessel owned by the Company.

During December 2014, Globus reached an agreement with the lender on certain amendments and waivers to the terms of the loan agreement signed on February 20, 2015 valid for the period from December 31, 2014 to March 30, 2016 (“the waiver period”) as listed below:

- the aggregate fair market value of the m/v Sun Globe and the m/v Moon Globe must equal or exceed 110% of the outstanding balance under the loan agreement less any cash up to \$1,000 held in the operating accounts pledged to the lender.
- the company to maintain a minimum market adjusted net worth of more than \$20,000.
- The Company to maintain minimum liquidity of \$5,000.
- the ratio of the Company’s market adjusted net worth to total assets must be greater than 15%.
- The above amendments are subject to a \$3,425 prepayment-to be applied against the four quarterly instalments of each tranche following the prepayment-to be paid until June 30, 2015 the latest, which was classified in the consolidated statement of financial position under current portion of long-term borrowings as of December 31, 2014.

As of December 31, 2015, the Company was not in compliance with three loan covenants of the DVB Loan Agreement:

- the aggregate charter free-market value of the mortgaged vessels did not exceed 107% of the outstanding balance under the DVB Loan Agreement less any cash held in DVB Bank’s account and pledged to DVB Bank up to \$1.0 million. As of December 31, 2015 was approximately 92%.
- Globus should maintain a minimum market adjusted net worth of more than \$20.0 million and a minimum liquidity of \$5.0 million. As of December 31, 2015 the Company was in breach of these two covenants.
- the ratio of the Company’s market adjusted net worth to its total assets should be greater than 15%. As of December 31, 2015 the Company was in breach of this covenant.

12 Long-Term Debt, net (continued)

During April 2016, Globus reached an agreement with the lender on certain amendments and waivers to the terms of the loan agreement signed on April 18, 2016 valid for the period from March 1, 2016 to March 31, 2017 (“third waiver period”) as listed below:

- the aggregate fair market value of the m/v Sun Globe and the m/v Moon Globe must equal or exceed 50% of the outstanding balance under the loan agreement less any cash up to \$1,000 held in the operating accounts pledged to the lender.
- the covenant for the company to maintain a minimum market adjusted net worth of more than \$20,000 was waived during third waiver period.
- the covenant for the Company to maintain minimum liquidity of \$5,000 was waived during the third waiver period.
- The covenant for the ratio of the Company’s market adjusted net worth to total assets must be greater than 15% was waived during the third waiver period.
- The above amendments are subject to a \$1.7 million prepayment - to be applied against the four quarterly instalments of each tranche following the prepayment, which was paid in April, 2016.

In June 2011, \$19.0 million was drawn (Tranche A) for the purpose of partly financing the acquisition of the m/v Moon Globe. The balance outstanding at December 31, 2015, of Tranche A was payable in 12 quarterly installments of \$440 and a balloon payment of \$5.3 million payable together with the 12th and last installment payable in December 2018. As of December 31, 2015, the outstanding principal balance of Tranche A was \$10.58 million. The Company prepaid \$880 in April 2016, with the next installment becoming due in March 2017.

In September 2011, \$18.0 million was drawn (Tranche B) for the purpose of partly financing the acquisition of the m/v Sun Globe. The balance outstanding at December 31, 2015 of Tranche B was payable in 13 quarterly installments of \$416.3 and a balloon payment of \$5 million payable together with the 13th and last installment payable in March 2019. As of December 31, 2015, the outstanding principal balance of Tranche B was \$10.42 million. The Company prepaid \$833 in April 2016 with the next installment being due in March 2017.

As of December 31, 2015, the Company was in breach with most of the covenants included in its loan agreements with HSH Nordbank AG, Commerzbank AG and DVB Bank SE and therefore the total amount outstanding for these loans was classified under current liabilities.

- (d) In December 2013, Globus entered into a credit facility for up to \$4,000 with Firment Trading Limited (“the lender”), a company related through common control, for the purpose of financing its general working capital needs. The Firment Credit Facility is unsecured and remained available until its initial final maturity dated December 16, 2015, when Globus must repay all drawn and outstanding amounts at that time. During December 2014 through a supplemental agreement reached between the company and the lender, the credit limit of the facility increased from \$4,000 to \$8,000 and its final maturity date was extended until April 29, 2016. Globus has the right to drawdown any amount up to \$8,000 or prepay any amount, during the availability period in multiples of \$100. During December 2015 the credit limit of the facility increased from \$8.0 to \$20.0 million and its final maturity date was extended to April 12, 2017. In December 2015, the Firment Credit Facility was assigned from Firment Trading Limited, a Cypriot company, to Firment Trading Limited, a Marshall Islands corporation, each of which is a company relatedthrough common control. Any prepaid amount can be re-borrowed in accordance with the terms of the agreement. Interest on drawn and outstanding amounts is charged at 5% per annum and no commitment fee is charged on the amounts remaining available and undrawn.

As of December 31, 2015 the amount drawn and outstanding with respect to the facility was \$14,600 and there was an amount of \$5,400 available to be drawn (note 4).

GLOBUS MARITIME LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Amounts presented in thousands of U.S. Dollars- except for share and per share data, unless otherwise stated)

12 Long-Term Debt, net (continued)

The contractual annual loan principal payments per bank loan to be made subsequent to December 31, 2015 are as follows:

December 31			(c)		(d)	Total
	(a) HSH	(b) Commerzbank	DVB Tranche (A)	Tranche (B)	Firment Trading Limited	
2016	2,774	2,000	1,760	1,665	-	8,199
2017	2,774	13,650	1,760	1,665	14,600	34,449
2018	2,774	-	7,060	1,665	-	11,499
2019	19,002	-	-	5,429	-	24,431
2020 and thereafter	-	-	-	-	-	-
Total	27,324	15,650	10,580	10,424	14,600	78,578

The contractual annual loan principal payments per bank loan to be made subsequent to December 31, 2014 were as follows:

December 31			(c)		(d)	Total
	(a) Credit Suisse	(b)	Tranche (A)	Tranche (B)	Firment Trading Limited	
2015	35,000	4,092	2,640	2,498	-	44,230
2016	-	2,000	880	832	7,500	11,212
2017	-	11,558	1,760	1,665	-	14,983
2018	-	-	7,060	1,665	-	8,725
2019 and thereafter	-	-	-	5,430	-	5,430
Total	35,000	17,650	12,340	12,090	7,500	84,580

The weighted average interest rate for the years ended December 31, 2015, 2014 and 2013 was 3.05%, 2.22% and 2.54%, respectively.

13 Share Based Payment

Share based payment comprise the following:

Year 2015	Number of common shares	Number of preferred shares	Share premium	Retained earnings
Non-executive directors payment	73,487	-	60	-
Balance at December 31, 2015	73,487	-	60	-
Year 2014	Number of common shares	Number of preferred shares	Share premium	Retained earnings
Non-executive directors payment	18,306	-	60	-
Balance at December 31, 2014	18,306	-	60	-

GLOBUS MARITIME LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Amounts presented in thousands of U.S. Dollars- except for share and per share data, unless otherwise stated)

13 Share Based Payment (continued)

Year 2013	Number of common shares	Number of preferred shares	Share premium	Retained earnings
Non-executive directors payment	19,841	-	50	-
Preferred shares redeemed	-	(780)	-	-
“2012 LTIP” reversed	-	-	-	(239)
Balance at December 31, 2013	19,841	(780)	50	(239)

For the year ended December 31, 2015:

Non-executive director’s payments:
Refers to the common shares issued or accrued during the year to our non-executive directors pursuant to their letters of appointment.

For the year ended December 31, 2014:

Non-executive director’s payments:
Refers to the common shares issued or accrued during the year to the Company’s non-executive directors pursuant to their letters of appointment.

For the year ended December 31, 2013:

Non-executive director’s payments:
Refers to the common shares issued or accrued during the year to our non-executive directors pursuant to their letters of appointment.

Series A Preferred shares:

On January 8, 2013 the company’s Chief Financial Officer stepped down from his position. Upon his resignation 780 preferred shares of series A, granted to him on April 20, 2012, were redeemed.

Long Time Incentive Plan (“2012 LTIP”):

During the year ended December 31, 2013, the company revised its estimate on the number of shares that will be awarded at the end of the award period with reference to the “2012 LTIP” currently in effect, based on the non-market and service vesting conditions of the award and reversed \$239 of share based payment expense recognised during the year ended December 31, 2012.

14 Voyage Expenses and Vessel Operating Expenses

Voyage expenses and vessel operating expenses in the consolidated statement of comprehensive loss/income consisted of the following:

Voyage expenses consisted of:

	For the year ended December 31,		
	2015	2014	2013
Commissions	675	1,284	1,257
Bunkers expenses	1,519	2,702	1,429
Other voyage expenses	190	268	206
Total	2,384	4,254	2,892

GLOBUS MARITIME LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Amounts presented in thousands of U.S. Dollars- except for share and per share data, unless otherwise stated)

14 Voyage Expenses and Vessel Operating Expenses (continued)

Vessel operating expenses consisted of:

	For the year ended December 31,		
	2015	2014	2013
Crew wages and related costs	5,919	5,396	5,107
Insurance	929	996	1,026
Spares, repairs and maintenance	1,664	1,480	2,072
Lubricants	534	578	711
Stores	939	998	858
Other	336	259	257
Total	10,321	9,707	10,031

15 Administrative Expenses

The amount shown in the consolidated statement of comprehensive loss/income is analysed as follows:

	For the year ended December 31,		
	2015	2014	2013
Personnel expenses	981	1,210	1,210
Audit fees	112	133	136
Travelling expenses	9	17	19
Consulting fees	90	103	109
Communication	15	19	25
Stationery	2	2	3
Greek authorities tax (note 21)	256	222	224
Other	286	190	366
Total	1,751	1,896	2,092

16 Interest Expense and Finance Costs

The amounts in the consolidated statement of comprehensive loss/income are analysed as follows:

	For the year ended December 31,		
	2015	2014	2013
Interest payable on long-term borrowings	2,523	1,932	3,310
Bank charges	32	34	45
Amortization of debt discount	146	103	116
Other finance expenses	82	68	100
Total	2,783	2,137	3,571

GLOBUS MARITIME LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Amounts presented in thousands of U.S. Dollars- except for share and per share data, unless otherwise stated)

17 Dividends

Dividends declared and paid during the years ended December 31, 2015, 2014 and 2013 are as follows:

No dividends declared or paid on common shares during the year ended December 31, 2015. Dividends declared and paid on our Series A Preferred shares during the year ended December 31, 2015 are as follows:

	2015	\$ per share	\$000's	Date declared	Date Paid
1st Preferred dividend		77.26	198	February 18, 2015	*
2nd Preferred dividend		97.39	250	December 21, 2015	*
			448		

* Settled with several payments, which final payment was made in January 2016.

No dividends declared or paid on common shares during the year ended December 31, 2014. Dividends declared or paid on Series A Preferred shares during the year ended December 31, 2014:

	2014	\$ per share	\$000's	Date declared	Date Paid
1st Preferred dividend		86.54	223	May 9, 2014	May 13, 2014
2nd Preferred dividend		27.34	70	December 30, 2014	January 2, 2015
			293		

No dividends declared or paid on common shares during the year ended December 31, 2013. Dividends declared or paid on Series A Preferred shares during the year ended December 31, 2013:

	2013	\$ per share	\$000's	Date declared	Date Paid
1st Preferred dividend		63.46	163	May 30, 2013	July 12, 2013
2nd Preferred dividend		65.20	167	December 27, 2013	January 15, 2014
			330		

18 Derivative financial instruments

During November 2008, the Company entered into an interest rate swap agreement of a notional amount of \$10,000 effective from November 28, 2008 to November 29, 2013. For the period from November 28, 2008 to November 23, 2010 the Company exchanged 6 month Libor interest rate with a fixed interest rate of 2.40%. On November 23, 2010, the swap counterparty had the option to select either (a) to exchange 6 month Libor interest rate with a fixed interest rate of 3.60%, or (b) to exchange 6 month Libor interest rate with 6 month Libor interest rate minus 20 basis points for the remaining period to maturity. On November 23, 2010, the swap counterparty selected option (a). On June 17, 2010, the Company and the aforementioned swap counterparty entered into a deed of pledge for an amount of \$1,000 against all existing, future and contingent claims of the swap counterparty under the interest rate swap agreement. As of November 29, 2013 when the interest rate swap agreement reached its maturity the deed of pledge expired.

During November 2008, the Company entered into an interest rate swap agreement of a notional amount of \$15,000 effective from November 28, 2008 to November 28, 2013. For the period from November 28, 2008 to November 29, 2010, the Company, exchanged 3 month Libor interest rate with a fixed interest rate of 2.45%. On November 29, 2010 and for the remaining period to maturity the swap counterparty has the option to select either (a) to exchange 3 month Libor interest rate with a fixed interest rate of 3.64%, or (b) to exchange 3 month Libor interest rate with 3 month Libor interest rate minus 20 basis points. On November 29, 2010, the swap counterparty selected option (a). During November 2013, the swap agreement reached its maturity.

Gain on the fair value of interest rate swap contracts for the years ended December 31, 2015 and 2014 amounted to \$nil, for the year ended December 31, 2013 amounted to \$738. The Company recognizes gains and losses on interest rate swap contracts, in the income statement component of the consolidated statement of comprehensive income in total finance costs, net.

GLOBUS MARITIME LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Amounts presented in thousands of U.S. Dollars- except for share and per share data, unless otherwise stated)

19 Contingencies

Various claims, suits and complaints, including those involving government regulations, arise in the ordinary course of the shipping business. In addition, losses may arise from disputes with charterers, environmental claims, agents, and insurers and from claims with suppliers relating to the operations of the Company’s vessels. Currently, management is not aware of any such claims or contingent liabilities, which are material for disclosure.

20 Commitments

The Company enters into time charter and bareboat charter arrangements on its vessels. These non-cancellable arrangements had remaining terms between two days to two months as of December 31, 2015 and between five days to two months as of December 31, 2014, assuming redelivery at the earliest possible date. Future gross minimum lease revenues receivable under non-cancellable operating leases as of December 31, 2015 and 2014, are as follows (vessel off-hires and dry-docking days that could occur but are not currently known are not taken into consideration; in addition early delivery of the vessels by the charterers is not accounted for):

	2015	2014
Within one year	633	1,612
Total	633	1,612

These amounts include consideration for other elements of the arrangement apart from the right to use the vessel such as maintenance and crewing and its related costs.

At December 31, 2015, the Company was not a party to an operating lease agreement as lessee while at December 31, 2014 was (note 4). The operating lease relates to the office premises of the Manager and expired in August 2015 but was silently extended until December 31, 2015.

The future minimum lease payments under this agreement as of December 31, 2015 and 2014 assuming a Euro: US dollar exchange rate for 2014: 1:1.2, were as follows:

	2015	2014
Within one year	-	140
After one year but not more than five years	-	-
Total	-	140

Total rent expense under operating leases for the years ended December 31, 2015 and 2014, amounted to \$195 and \$234, respectively.

21 Income Tax

Under the laws of the countries of the vessel owning companies’ incorporation and / or vessels’ registration, vessel owning companies are not subject to tax on international shipping income; however, they are subject to registration and tonnage taxes, which are included in vessel operating expenses in the accompanying consolidated statements of loss/income.

Greek Authorities Tax

In January 2013, a new tax law 4110/2013 amended the long-standing provisions of art. 26 of law 27/1975 by imposing a fixed annual tonnage tax on vessels flying a foreign (i.e., non-Greek) flag which are managed by a Law 89 company, establishing an identical tonnage tax regime as the one already in force for vessels flying the Greek flag. This tax varies depending on the size of the vessel, calculated in gross registered tonnage, as well as on the age of each vessel. Payment of this tonnage tax completely satisfies all income tax obligations of both the shipowning company and of all its shareholders up to the ultimate beneficial owners. Any tax payable to the state of the flag of each vessel as a result of its registration with a foreign flag registry (including the Marshall Islands) is subtracted from the amount of tonnage tax due to the Greek tax authorities. As of December 31, 2015, 2014 and 2013 the tax expense under the law amounted to \$256, \$222 and \$224 respectively and is included in administrative expenses in the consolidated statement of comprehensive income.

U.S. Federal Income Tax

Globus is a foreign corporation with wholly owned subsidiaries that are foreign corporations, which derive income from the international operation of a ship or ships from United States (“U.S”) source shipping income for U.S. federal income tax purposes.

GLOBUS MARITIME LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Amounts presented in thousands of U.S. Dollars- except for share and per share data, unless otherwise stated)

21 Income Tax (continued)

Globus believes that to the best of its knowledge, under § 883 of the Internal Revenue Code, its income and the income of its ship-owning subsidiaries, to the extent derived from the international operation of a ship or ships, are currently exempt from U.S. federal income tax.

The following is a summary, discussing the application of the U.S. federal income tax laws to the Company relating to income derived from the international operation of a ship or ships. The discussion and its conclusion is based upon existing U.S. federal income tax law, including the Internal Revenue Code (the “Code”) and final U.S. Treasury Regulations (the “Regs”) as currently in effect, all of which are subject to change, possibly with retroactive effect.

Application of § 883 of the Code for the year ended December 31, 2015

In general, under § 883, certain non-U.S. corporations are not subject to U.S. federal income tax on their U.S. source income derived from the international operation of a ship or ships.

Effective for any tax year ending on September 25, 2004 and thereafter, the Regs provide that a foreign corporation will qualify for the benefits of § 883 if, in relevant part, the foreign country in which the foreign corporation is organized grants an equivalent exemption to corporations organized in the U.S. and the foreign corporation meets the qualified shareholder test described below

A foreign corporation having more than 50 percent of the value of its outstanding shares owned, directly or indirectly by application of specific attribution rules, for at least half of the number of days in the foreign corporation's taxable year by one or more qualified shareholders will meet the qualified shareholder test. In part, an individual who is a shareholder will be considered a qualified shareholder if they are a resident of a qualified foreign country and do not own their interest in the foreign corporation through bearer shares, either directly or indirectly by application of the attribution rules.

For the year ended December 31, 2015, Globus and its wholly owned subsidiaries deriving income from the operation of international ships are organized in foreign countries that grant equivalent exemptions to corporations organized in the U.S. Globus and its relevant subsidiaries have more than 50% of the value of their stock for at least half of the number days of their taxable year indirectly owned in the form of registered shares by one individual residing in a qualified foreign country. Accordingly, all of Globus’ and its ship-owning or operating subsidiaries that rely on § 883 for exempting U.S. source income from the international operation of ships would not be subject to U.S. federal income tax for the year ended December 31, 2015. Globus anticipates it and its relevant subsidiaries income will continue to be exempt in the future from U.S. federal income tax. However, in the future, Globus or its subsidiaries may not continue to satisfy certain criteria in the U.S. tax laws and as such, may become subject to the U.S. federal income tax on future U.S. source shipping income.

22 Financial risk management objectives and policies

The Company’s financial liabilities are bank loans, trade and other payables. The main purpose of these financial liabilities is to assist in the financing of Company’s operations and the acquisition of vessels. The Company has various financial assets such as trade receivables and cash and short-term deposits, which arise directly from its operations. The main risks arising from the Company’s financial instruments are cash flow interest rate risk, credit risk, liquidity risk and foreign currency risk.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company’s exposure to the risk of changes in market interest rates relates primarily to the Company’s long-term debt obligations with floating interest rates. To manage this, the Company usually enters into interest rate swaps, in which the Company agrees to exchange, at specific intervals, the difference between fixed and variable interest rate. Interest amounts are calculated by reference to an agreed upon notional principal amount. As of December 31, 2015 and 2014 the Company had no interest rate swap agreements in place. As of December 31, 2015 and 2014, 19% and 9% of the Company’s bank borrowings were at a fixed rate of interest.

22 Financial risk management objectives and policies (continued)

Interest rate risk table

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Company’s profit. There is no impact on the Company’s equity.

	Increase/Decrease in basis points	Effect on profit
2015		
\$ Libor	+15	(110)
	-20	147
2014		
\$ Libor	+15	(129)
	-20	172

Foreign currency risk

The following table demonstrates the sensitivity to a reasonably possible change in the Euro exchange rate, with all other variables held constant, to the Company’s profit due to changes in the fair value of monetary assets and liabilities. The Company’s exposure to foreign currency changes for all other currencies as of December 31, 2015 and 2014 was not material.

	Change in rate	Effect on profit
2015	+10%	(298)
	-10%	298
2014	+10%	(81)
	-10%	81

Credit risk

The Company operates only with recognised, creditworthy third parties including major charterers, commodity traders and government owned entities. Receivable balances are monitored on an ongoing basis with the result that the Company’s exposure to impairment on trade receivable is not significant. The maximum exposure is the carrying value of trade receivable as indicated in the consolidated statement of financial position. With respect to the credit risk arising from other financial assets of the Company such as cash and cash equivalents, the Company’s exposure to credit risk arises from default of the counter parties, which are recognised financial institutions. The Company performs annual evaluations of the relative credit standing of these counter parties. The exposure of these financial instruments is equal to their carrying amount as indicated in the consolidated statement of financial position.

Concentration of credit risk table:

The following table provides information with respect to charterers who individually, accounted for approximately more than 10% of the Company’s revenue for the years ended December 31, 2015, 2014 and 2013:

	2015	%	2014	%	2013	%
A	82	1%	5,846	22%	5,860	20%
B	316	2%	5,201	20%	5,201	18%
C	237	2%	-	-	3,637	12%
D	-	-	-	-	2,838	10%
Other	12,080	95%	15,331	58%	11,898	40%
Total	12,715	100%	26,378	100%	29,434	100%

Liquidity risk

The Company mitigates liquidity risk by managing cash generated by its operations, applying cash collection targets appropriately. The vessels are normally chartered under time-charter, bareboat and spot agreements where, as per the industry practice, the charterer pays for the transportation service 15 days in advance, supporting the management of cash generation. Vessel acquisitions are carefully controlled, with authorisation limits operating up to board level and cash payback periods applied as part of the investment appraisal process. In this way, the Company maintains a good credit rating to facilitate fund raising. In its funding strategy, the Company’s objective is to maintain a balance between continuity of funding and flexibility through the use of bank loans. Excess cash used in managing liquidity is only invested in financial instruments exposed to insignificant risk of changes in market value or are being placed on interest bearing deposits with maturities fixed usually for no more than 3 months. The Company monitors its risk relating to the shortage of funds by considering the maturity of its financial liabilities and its projected cash flows from operations.

GLOBUS MARITIME LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Amounts presented in thousands of U.S. Dollars- except for share and per share data, unless otherwise stated)

22 Financial risk management objectives and policies (continued)

The table below summarises the maturity profile of the Company’s financial liabilities at December 31, 2015 and 2014, based on contractual undiscounted cash flows.

Year ended December 31, 2015	On demand	Less than 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
Long-term debt	-	2,731	8,115	73,687	-	84,533
Accrued liabilities and other payables	-	1,802	-	-	-	1,802
Trade payables	-	4,011	-	-	-	4,011
Total	-	8,544	8,115	73,687	-	90,346

Year ended December 31, 2014	On demand	Less than 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
Long-term debt	2,092	1,725	42,518	42,397	-	88,732
Accrued liabilities and other payables	-	1,380	-	-	-	1,380
Trade payables	-	2,607	-	-	-	2,607
Total	2,092	5,712	42,518	42,397	-	92,719

Capital management

The primary objective of the Company’s capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value. The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares as well as managing the outstanding level of debt. Lenders may impose capital structure or solvency ratios, refer to note 12. No changes were made in the objectives, policies or processes during the years ended December 31, 2015 and 2014. The Company monitors capital using the ratio of net debt to book capitalisation adjusted for the market value of the Company’s vessels plus net debt.

The Company includes within net debt, interest bearing loans gross of unamortized debt discount, less cash.

Adjusted book capitalization refers to total equity adjusted for the market value of the Company’s vessels. The Company’s policy is to keep the ratio described above between a range of 60% - 80%.

	2015	December 31, 2014
Interest bearing loans	78,578	84,580
Cash (including restricted cash)	(2,505)	(6,083)
Net debt	76,073	78,497
Equity	30,535	63,319
Adjustment for the market value of vessels (charter-free)	(55,075)	(27,161)
Adjusted book capitalization	(24,540)	36,158
Adjusted book capitalization plus net debt	51,533	114,655
Ratio	147.6%	68.5%

The deterioration in the ratio of net debt to adjusted capitalization plus net debt, resulted due to the prevailing adverse conditions in the shipping market. The Company’s objective is to return to the range of 60%- 80%. Net debt as calculated above is not consistent with the International Financial Reporting Standards (“IFRS”) definition of debt. The following reconciliation is provided:

	2015	December 31, 2014
Debt in accordance with IFRS (long & short-term borrowings)	78,245	84,388
Add: Unamortized debt discount	333	192
	78,578	84,580
Less: Cash and bank balances and bank deposits	2,505	6,083
Net debt	76,073	78,497

GLOBUS MARITIME LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Amounts presented in thousands of U.S. Dollars- except for share and per share data, unless otherwise stated)

23 Fair values

The carrying values of financial instruments such as cash and cash equivalents, restricted cash, trade receivables and trade payables are reasonable estimates of their fair value due to the short term nature of these financial instruments. The fair values of the credit and loan facilities as of December 31, 2015 and 2014 was \$70,609 and 83,267 respectively while their carrying value measured at amortised cost as of December 31, 2015 and 2014 was \$78,245 and \$84,388 respectively.

Fair value measurement

The following table provides the fair value measurement hierarchy (as defined in note 2.30) of the Company’s liabilities

As at December 31, 2015 and 2014, the Company held the following liabilities measured at or disclose their fair value:

	December 31, 2015	Level 1	Level 2	Level 3
Liabilities for which fair values are disclosed				
Long term borrowings	70,609	-	70,609	-
	December 31, 2014	Level 1	Level 2	Level 3
Liabilities for which fair values are disclosed				
Long term borrowings	83,267	-	83,267	-

There have been no transfers between Level 1 and Level 2 during the years

24 Events after the reporting date

The Silaner Investments Credit Facility

In January 2016, the Company entered into a credit facility for up to \$3.0 million with Silaner Investments Limited, a company related through common control, for the purpose of financing its general working capital needs. Up to the issuance date of the consolidated financial statements, the Company has drawn down an amount of \$2.15 million under the Silaner Credit Facility.

Firment Loan Facility

In February 2016, the Company drew down \$1.3 million under the Firment Credit Facility. As of the date of the issuance of these consolidated financial statements, the amount drawn and outstanding with respect to the facility is \$15,900 and there is an amount of \$4,100 available to be drawn.

Sale of Kelty Marine Ltd.

In March 2016, the Company sold the shares of Kelty Marine Ltd., owner of the vessel Energy Globe and wholly owned subsidiary of Globus, to an unrelated third party. The proceeds from this sale were used for the partial prepayment of the Commerzbank loan. As of December 31, 2015, the financial effect from the disposal of Kelty Marine Ltd. could not be estimated (see Note 12). After its sale to an unrelated third party, Kelty Marine Ltd., owner of the m/v Energy Globe, pays Globus Shipmanagement \$0.9 per day to manage its vessel.

Amended agreements with the banks

In April and March 2016, the Company entered into amended agreements or agreed the main terms for the restructure of its loan agreements with HSH Nordbank AG, DVB Bank SE and Commerzbank (see Note 12).

Listing transfer to NASDAQ Capital Market

On April 11, 2016 the Company’s common shares that were listed on the Nasdaq Global Market until then they became listed on the Nasdaq Capital Market. Both the Nasdaq Global Market and the Nasdaq Capital Market are tiers of the Nasdaq Stock Market, which is an established securities market.

GLOBUS MARITIME LIMITED
EQUITY INCENTIVE PLAN OF GLOBUS MARITIME LIMITED

ARTICLE I.
General

1.1. Purpose

The Globus Maritime Limited 2012 Equity Incentive Plan (the “Plan”) is designed to provide certain key Persons (as defined below), whose initiative and efforts are deemed to be important to the successful conduct of the business of Globus Maritime Limited, a company formed under the laws of Jersey and domesticated as a corporation into the Marshall Islands (the “Company”), with incentives to (a) enter into and remain in the service of the Company or its Affiliates (as defined below), (b) acquire a proprietary interest in the success of the Company, (c) maximize their performance and (d) enhance the long-term performance of the Company.

1.2. Administration

(a) Administration. The Plan shall be administered by the remuneration committee (the “Remuneration Committee”) of the Company’s Board of Directors (the “Board”) or such other committee of the Board as may be designated by the Board to administer the Plan (the “Administrator”); provided that in the event the Company is subject to Section 16 of the U.S. Securities Exchange Act of 1934, as amended (the “1934 Act”), the Administrator shall be composed of two or more directors, each of whom is a “Non-Employee Director” (a “Non-Employee Director”) under Rule 16b-3 (as promulgated and interpreted by the Securities and Exchange Commission (the “SEC”) under the 1934 Act, or any successor rule or regulation thereto as in effect from time to time). Subject to the terms of the Plan and applicable law, and in addition to other express powers and authorizations conferred on the Administrator by the Plan, the Administrator shall have the full power and authority to: (1) designate the Persons to receive Awards (as defined below) under the Plan; (2) determine the types of Awards granted to a participant under the Plan; (3) determine the number of shares to be covered by, or with respect to which payments, rights or other matters are to be calculated with respect to, Awards; (4) determine the terms and conditions of any Awards; (5) determine whether, and to what extent, and under what circumstances, Awards may be settled or exercised in cash, shares, other securities, other Awards or other property, or cancelled, forfeited or suspended, and the methods by which Awards may be settled, exercised, cancelled, forfeited or suspended; (6) determine whether, to what extent, and under what circumstances cash, shares, other securities, other Awards, other property and other amounts payable with respect to an Award shall be deferred, either automatically or at the election of the holder thereof or the Administrator; (7) construe, interpret and implement the Plan and any Award Agreement (as defined below); (8) prescribe, amend, rescind or waive rules and regulations relating to the Plan, including rules governing its operation, and appoint such agents as it shall deem appropriate for the proper administration of the Plan; (9) make all determinations necessary or advisable in administering the Plan; (10) correct any defect, supply any omission and reconcile any inconsistency in the Plan or any Award Agreement; and (11) make any other determination and take any other action that the Administrator deems necessary or desirable for the administration of the Plan. Unless otherwise expressly provided in the Plan, all designations, determinations, interpretations and other decisions under or with respect to the Plan or any Award shall be within the sole discretion of the Administrator, may be made at any time and shall be final, conclusive and binding upon all Persons.

(b) General Right of Delegation. Except to the extent prohibited by applicable law, the applicable rules of a stock exchange or any charter, by-laws or other agreement governing the Administrator, the Administrator may delegate all or any part of its responsibilities to any Person or Persons selected by it and may revoke any such allocation or delegation at any time.

(c) Indemnification. No member of the Board, the Administrator or any employee of the Company or an Affiliate (each such Person, a "Covered Person") shall be liable for any action taken or omitted to be taken or any determination made in good faith with respect to the Plan or any Award hereunder. Each Covered Person shall be indemnified and held harmless by the Company against and from (i) any loss, cost, liability or expense (including attorneys' fees) that may be imposed upon or incurred by such Covered Person in connection with or resulting from any action, suit or proceeding to which such Covered Person may be a party or in which such Covered Person may be involved by reason of any action taken or omitted to be taken under the Plan or any Award Agreement and (ii) any and all amounts paid by such Covered Person, with the Company's approval, in settlement thereof, or paid by such Covered Person in satisfaction of any judgment in any such action, suit or proceeding against such Covered Person; provided that the Company shall have the right, at its own expense, to assume and defend any such action, suit or proceeding and, once the Company gives notice of its intent to assume the defense, the Company shall have sole control over such defense with counsel of the Company's choice. The foregoing right of indemnification shall not be available to a Covered Person to the extent that a court of competent jurisdiction in a final judgment or other final adjudication, in either case not subject to further appeal, determines that the acts or omissions of such Covered Person giving rise to the indemnification claim resulted from such Covered Person's bad faith, fraud or willful criminal act or omission or that such right of indemnification is otherwise prohibited by law or by the Company's Amended and Restated Articles of Incorporation or Amended and Restated By-Laws. The foregoing right of indemnification shall not be exclusive of any other rights of indemnification to which Covered Persons may be entitled under the Company's Amended and Restated Articles of Incorporation or Amended and Restated By-Laws, as a matter of law, or otherwise, or any other power that the Company may have to indemnify such Persons or hold them harmless.

(d) Delegation of Authority to Senior Officers. The Administrator may, in accordance with the terms of Section 1.2(b), delegate, on such terms and conditions as it determines, to one or more senior officers of the Company the authority to make grants of Awards to employees (other than officers) of the Company and its Subsidiaries (as defined below)(including any such prospective employee) and consultants of the Company and its Subsidiaries; provided, however, that in no event shall any such officer be delegated the authority to grant Awards to, or amend Awards held by, the following individuals: (i) individuals who are subject to Section 16 of the 1934 Act, or (ii) officers of the Company (or directors of the Company) to whom authority to grant or amend Awards has been delegated hereunder.

(e) Awards to Non-Employee Directors. Notwithstanding anything to the contrary contained herein, the Board may, in its sole discretion, at any time and from time to time, grant Awards to Non-Employee Directors or administer the Plan with respect to such Awards. In any such case, the Board shall have all the authority and responsibility granted to the Administrator herein.

1.3. Persons Eligible for Awards

The Persons eligible to receive Awards under the Plan are those directors, officers and employees (including any prospective officer or employee) of the Company and its Subsidiaries and Affiliates and consultants and service providers (including individuals who are employed by or provide services to any entity that is itself such a consultant or service provider) to the Company and its Subsidiaries and Affiliates (collectively, “Key Persons”) as the Administrator shall select.

1.4. Types of Awards

Awards may be made under the Plan in the form of (a) stock options, (b) stock appreciation rights, (c) restricted stock, (d) restricted stock units and (e) unrestricted stock, all as more fully set forth in the Plan. The term “Award” means any of the foregoing that are granted under the Plan.

1.5. Shares Available for Awards; Adjustments for Changes in Capitalization

(a) Maximum Number. Subject to adjustment as provided in Section 1.5(c), the aggregate number of shares of common stock of the Company, par value \$0.004 (“Common Stock”), with respect to which Awards may at any time be granted under the Plan shall be 1,000,000. The following shares of Common Stock shall again become available for Awards under the Plan: (i) any shares that are subject to an Award under the Plan and that remain unissued upon the cancellation or termination of such Award for any reason whatsoever; (ii) any shares of restricted stock forfeited pursuant to the Plan or the applicable Award Agreement; provided that any dividend equivalent rights with respect to such shares that have not theretofore been directly remitted to the grantee are also forfeited; and (iii) any shares in respect of which an Award is settled for cash without the delivery of shares to the grantee. Any shares tendered or withheld to satisfy the grant or exercise price or tax withholding obligation pursuant to any Award shall again become available to be delivered pursuant to Awards under the Plan.

(b) Source of Shares. Shares issued pursuant to the Plan may be authorized but unissued Common Stock or treasury shares. The Administrator may direct that any stock certificate evidencing shares issued pursuant to the Plan shall bear a legend setting forth such restrictions on transferability as may apply to such shares.

(c) Adjustments. (i) In the event that the Administrator determines that any dividend or other distribution (whether in the form of cash, Company shares, other securities or other property), recapitalization, stock split, reverse stock split, reorganization, merger, consolidation, split-up, spin-off, combination, repurchase or exchange of Company shares or other securities of the Company, issuance of warrants or other rights to purchase Company shares or other securities of the Company, or other similar corporate transaction or event affects the Company shares such that an adjustment is determined by the Administrator to be appropriate or desirable, then the Administrator shall, in such manner as it may deem equitable or desirable, adjust any or all of the number of shares or other securities of the Company (or number and kind of other securities or property) with respect to which Awards may be granted under the Plan.

(ii) The Administrator is authorized to make adjustments in the terms and conditions of, and the criteria included in, Awards in recognition of unusual or nonrecurring events (including the events described in Section 1.5(c)(i) or the occurrence of a Change in Control (as defined below) affecting the Company, any Affiliate, or the financial statements of the Company or any Affiliate, or of changes in applicable rules, rulings, regulations or other requirements of any governmental body or securities exchange, accounting principles or law, whenever the Administrator determines that such adjustments are appropriate or desirable, including providing for (A) adjustment to (1) the number of shares or other securities of the Company (or number and kind of other securities or property) subject to outstanding Awards or to which outstanding Awards relate and (2) the Exercise Price (as defined below) with respect to any Award and (B) a substitution or assumption of Awards, accelerating the exercisability or vesting of, or lapse of restrictions on, Awards, or accelerating the termination of Awards by providing for a period of time for exercise prior to the occurrence of such event, or, if deemed appropriate or desirable, providing for a cash payment to the holder of an outstanding Award in consideration for the cancellation of such Award (it being understood that, in such event, any option or stock appreciation right having a per share Exercise Price equal to, or in excess of, the Fair Market Value (as defined below) of a share subject to such option or stock appreciation right may be cancelled and terminated without any payment or consideration therefor).

(iii) In the event of (A) a dissolution or liquidation of the Company, (B) a sale of all or substantially all the Company’s assets or (C) a merger, reorganization or consolidation involving the Company or one of its Subsidiaries (as defined below), the Administrator shall have the power to:

(1) provide that outstanding options, stock appreciation rights and/or restricted stock units (including any related dividend equivalent right) shall either continue in effect, be assumed or an equivalent award shall be substituted therefor by the successor corporation or a parent corporation or subsidiary corporation;

(2) cancel, effective immediately prior to the occurrence of such event, options, stock appreciation rights and/or restricted stock units (including each dividend equivalent right related thereto) outstanding immediately prior to such event (whether or not then exercisable) and, in full consideration of such cancellation, pay to the holder of such Award a cash payment in an amount equal to the excess, if any, of the Fair Market Value (as of a date specified by the Administrator) of the shares subject to such Award over the aggregate Exercise Price of such Award (it being understood that, in such event, any option or stock appreciation right having a per share Exercise Price equal to, or in excess of, the Fair Market Value of a share subject to such option or stock appreciation right may be cancelled and terminated without any payment or consideration therefor); or

(3) notify the holder of an option or stock appreciation right in writing or electronically that each option and stock appreciation right shall be fully vested and exercisable for a period of 30 days from the date of such notice, or such shorter period as the Administrator may determine to be reasonable, and the option or stock appreciation right shall terminate upon the expiration of such period (which period shall expire no later than immediately prior to the consummation of the corporate transaction).

1.6. Definitions of Certain Terms

(a) “Affiliate” shall mean (i) any entity that, directly or indirectly, is controlled by, controls or is under common control with, the Company and (ii) any entity in which the Company has a significant equity interest, in either case as determined by the Administrator.

(b) Unless otherwise set forth in an Award Agreement, in connection with a termination of employment or consultancy/service relationship or a dismissal from Board membership, for purposes of the Plan, the term “for Cause” shall mean any of the following:

- (A) any failure by the grantee substantially to perform the grantee’s employment or consulting/service or Board membership duties;
- (B) any excessive unauthorized absenteeism by the grantee;
- (C) any refusal by the grantee to obey the lawful orders of the Board or any other Person to whom the grantee reports;
- (D) any act or omission by the grantee that is or may be materially injurious to the Company or any Affiliate, whether monetarily, reputationally or otherwise;
- (E) any act by the grantee that is materially inconsistent with the best interests of the Company or any Affiliate;
- (F) the grantee’s gross negligence that is injurious to the Company or any Affiliate, whether monetarily, reputationally or otherwise;
- (G) the grantee’s material violation of any of the policies of the Company or an Affiliate, as applicable, including, without limitation, those policies relating to insider trading;
- (H) the grantee’s material breach of his or her employment or service contract with the Company or any Affiliate;
- (I) the grantee’s unauthorized (1) removal from the premises of the Company or an Affiliate of any document (in any medium or form) relating to the Company or an Affiliate or the customers or clients of the Company or an Affiliate or (2) disclosure to any Person of any of the Company’s, or any Affiliate’s, confidential or proprietary information;

- (J) the grantee’s being convicted of, or entering a plea of guilty or nolo contendere to, any crime that constitutes a felony or involves moral turpitude; and
- (K) the grantee’s commission of any act involving dishonesty or fraud.

Any rights the Company or its Affiliates may have under the Plan in respect of the events giving rise to a termination or dismissal “for Cause” shall be in addition to any other rights the Company or its Affiliates may have under any other agreement with a grantee or at law or in equity. Any determination of whether a grantee’s employment, consultancy/service relationship or Board membership is (or is deemed to have been) terminated “for Cause” shall be made by the Administrator. If, subsequent to a grantee’s voluntary termination of employment or consultancy/service relationship or voluntarily resignation from the Board or involuntary termination of employment or consultancy/service relationship without Cause or removal from the Board other than “for Cause”, it is discovered that the grantee’s employment or consultancy/service relationship or Board membership could have been terminated “for Cause”, the Administrator may deem such grantee’s employment or consultancy/service relationship or Board membership to have been terminated “for Cause” upon such discovery and determination by the Administrator.

- (c) “Code” shall mean the Internal Revenue Code of 1986, as amended.
- (d) “Exercise Price” shall mean (i) in the case of options, the price specified in the applicable Award Agreement as the price-per-share at which such share can be purchased pursuant to the option or (ii) in the case of stock appreciation rights, the price specified in the applicable Award Agreement as the reference price-per-share used to calculate the amount payable to the grantee.
- (e) The “Fair Market Value” of a share of Common Stock on any day shall be the closing price on the stock exchange upon which such shares are listed, as reported for such day in The Wall Street Journal, or, if no such price is reported for such day, the average of the high bid and low asked price of Common Stock as reported for such day. If no quotation is made for the applicable day, the Fair Market Value of a share of Common Stock on such day shall be determined in the manner set forth in the preceding sentence for the next preceding trading day. Notwithstanding the foregoing, if there is no reported closing price or high bid/low asked price that satisfies the preceding sentences, or if otherwise deemed necessary or appropriate by the Administrator, the Fair Market Value of a share of Common Stock on any day shall be determined by such methods and procedures as shall be established from time to time by the Administrator. The “Fair Market Value” of any property other than Common Stock shall be the fair market value of such property determined by such methods and procedures as shall be established from time to time by the Administrator.

- (f) “Person” shall mean any individual, firm, corporation, partnership, limited liability company, trust, incorporated or unincorporated association, joint venture, joint stock company, governmental body or other entity of any kind.
- (g) “Subsidiary” shall mean any entity in which the Company, directly or indirectly, has a 50% or more equity interest.

ARTICLE II.
Awards Under The Plan

2.1. Agreements Evidencing Awards

Each Award granted under the Plan shall be evidenced by a written certificate (“Award Agreement”), which shall contain such provisions as the Administrator may deem necessary or desirable and which may, but need not, require execution or acknowledgment by a grantee. The Award shall be subject to all of the terms and provisions of the Plan and the applicable Award Agreement.

2.2. Grant of Stock Options and Stock Appreciation Rights

- (a) Stock Option Grants. The Administrator may grant stock options (“options”) to purchase shares of Common Stock from the Company to such Key Persons, and in such amounts and subject to such vesting and forfeiture provisions and other terms and conditions, as the Administrator shall determine, subject to the provisions of the Plan. No option will be treated as an “incentive stock option” for purposes of the Code.
- (b) Stock Appreciation Right Grants; Types of Stock Appreciation Rights. The Administrator may grant stock appreciation rights to such Key Persons, and in such amounts and subject to such vesting and forfeiture provisions and other terms and conditions, as the Administrator shall determine, subject to the provisions of the Plan. The terms of a stock appreciation right may provide that it shall be automatically exercised for a payment upon the happening of a specified event that is outside the control of the grantee and that it shall not be otherwise exercisable. Stock appreciation rights may be granted in connection with all or any part of, or independently of, any option granted under the Plan.
- (c) Nature of Stock Appreciation Rights. The grantee of a stock appreciation right shall have the right, subject to the terms of the Plan and the applicable Award Agreement, to receive from the Company an amount equal to (i) the excess of the Fair Market Value of a share of Common Stock on the date of exercise of the stock appreciation right over the Exercise Price of the stock appreciation right, multiplied by (ii) the number of shares with respect to which the stock appreciation right is exercised. Each Award Agreement with respect to a stock appreciation right shall set forth the Exercise Price of such Award and, unless otherwise specifically provided in the Award Agreement, the Exercise Price of a stock appreciation right shall equal the Fair Market Value of a share of Common Stock on the date of grant; provided that in no event may such Exercise Price be less than the greater of (A) the Fair Market Value of a share of Common Stock on the date of grant and (B) the par value of a share of Common Stock. Payment upon exercise of a stock appreciation right shall be in cash or in shares of Common Stock (valued at their Fair Market Value on the date of exercise of the stock appreciation right) or any combination of both, all as the Administrator shall determine. Upon the exercise of a stock appreciation right granted in connection with an option, the number of shares subject to the option shall be reduced by the number of shares with respect to which the stock appreciation right is exercised. Upon the exercise of an option in connection with which a stock appreciation right has been granted, the number of shares subject to the stock appreciation right shall be reduced by the number of shares with respect to which the option is exercised.

(d) Option Exercise Price. Each Award Agreement with respect to an option shall set forth the Exercise Price of such Award and, unless otherwise specifically provided in the Award Agreement, the Exercise Price of an option shall equal the Fair Market Value of a share of Common Stock on the date of grant; provided that in no event may such Exercise Price be less than the greater of (i) the Fair Market Value of a share of Common Stock on the date of grant and (ii) the par value of a share of Common Stock.

2.3. Exercise of Options and Stock Appreciation Rights

Subject to the other provisions of this Article II and the Plan, each option and stock appreciation right granted under the Plan shall be exercisable as follows:

(a) Timing and Extent of Exercise. Options and stock appreciation rights shall be exercisable at such times and under such conditions as determined by the Administrator and set forth in the corresponding Award Agreement, but in no event shall any portion of such Award be exercisable subsequent to the tenth anniversary of the date on which such Award was granted. Unless the applicable Award Agreement otherwise provides, an option or stock appreciation right may be exercised from time to time as to all or part of the shares as to which such Award is then exercisable.

(b) Notice of Exercise. An option or stock appreciation right shall be exercised by the filing of a written notice with the Company and with the Company’s designated exchange agent (the “Exchange Agent”), on such form and in such manner as the Administrator shall prescribe.

(c) Payment of Exercise Price. Any written notice of exercise of an option shall be accompanied by payment for the shares being purchased. Such payment shall be made: (i) by certified or official bank check (or the equivalent thereof acceptable to the Company or its Exchange Agent) for the full option Exercise Price; (ii) with the consent of the Administrator, which consent shall be given or withheld in the sole discretion of the Administrator, by delivery of shares of Common Stock having a Fair Market Value (determined as of the exercise date) equal to all or part of the option Exercise Price and a certified or official bank check (or the equivalent thereof acceptable to the Company or its Exchange Agent) for any remaining portion of the full option Exercise Price; or (iii) at the sole discretion of the Administrator and to the extent permitted by law, by such other provision, consistent with the terms of the Plan, as the Administrator may from time to time prescribe (whether directly or indirectly through the Exchange Agent), or by any combination of the foregoing payment methods.

- (d) Delivery of Certificates Upon Exercise. Subject to Sections 3.2, 3.4 and 3.13, promptly after receiving payment of the full option Exercise Price, or after receiving notice of the exercise of a stock appreciation right for which the Administrator determines payment will be made partly or entirely in shares, the Company or its Exchange Agent shall (i) deliver to the grantee, or to such other Person as may then have the right to exercise the Award, a certificate or certificates for the shares of Common Stock for which the Award has been exercised or, in the case of stock appreciation rights, for which the Administrator determines will be made in shares or (ii) establish an account evidencing ownership of the stock in uncertificated form. If the method of payment employed upon an option exercise so requires, and if applicable law permits, an optionee may direct the Company or its Exchange Agent, as the case may be, to deliver the stock certificate(s) to the optionee’s stockbroker.
- (e) No Stockholder Rights. No grantee of an option or stock appreciation right (or other Person having the right to exercise such Award) shall have any of the rights of a stockholder of the Company with respect to shares subject to such Award until the issuance of a stock certificate to such Person for such shares. Except as otherwise provided in Section 1.5(c), no adjustment shall be made for dividends, distributions or other rights (whether ordinary or extraordinary, and whether in cash, securities or other property) for which the record date is prior to the date such stock certificate is issued.

2.4. Termination of Employment; Death Subsequent to a Termination of Employment

- (a) General Rule. Except to the extent otherwise provided in paragraphs (b), (c), (d), (e) or (f) of this Section 2.4 or Section 3.5(b)(iii), a grantee who incurs a termination of employment or consultancy/service relationship or dismissal from the Board may exercise any outstanding option or stock appreciation right on the following terms and conditions: (i) exercise may be made only to the extent that the grantee was entitled to exercise the Award on the date of termination of employment or consultancy/service relationship or dismissal from the Board, as applicable; and (ii) exercise must occur within three months after termination of employment or consultancy/service relationship or dismissal from the Board but in no event after the original expiration date of the Award.
- (b) Dismissal “for Cause”. If a grantee incurs a termination of employment or consultancy/service relationship or dismissal from the Board “for Cause”, all options and stock appreciation rights not theretofore exercised shall immediately terminate upon the grantee’s termination of employment or consultancy/service relationship or dismissal from the Board.
- (c) Retirement. If a grantee incurs a termination of employment or consultancy/service relationship or dismissal from the Board as the result of his or her retirement (as defined below), then any outstanding option or stock appreciation right shall, to the extent exercisable at the time of such retirement, remain exercisable for a period of three years after such retirement; provided that in no event may such option or stock appreciation right be exercised following the original expiration date of the Award. For this purpose, “retirement” shall mean a grantee’s resignation of employment or consultancy/service relationship or dismissal from the Board, with the Company’s or its applicable Affiliate’s prior consent, on or after (i) his or her 65th birthday, (ii) the date on which he or she has attained age 60 and completed at least five years of service with the Company or one or more of its Affiliates (using any method of calculation the Administrator deems appropriate) or (iii) if approved by the Administrator, on or after his or her having completed at least 20 years of service with the Company or one or more of its Affiliates (using any method of calculation the Administrator deems appropriate).

(d) Disability. If a grantee incurs a termination of employment or consultancy/service relationship or a dismissal from the Board by reason of a disability (as defined below), then any outstanding option or stock appreciation right shall, to the extent exercisable at the time of such termination or dismissal, remain exercisable for a period of one year after such termination or dismissal; provided that in no event may such option or stock appreciation right be exercised following the original expiration date of the Award. For this purpose, “disability” shall mean any physical or mental condition that would qualify the grantee for a disability benefit under the long-term disability plan maintained by the Company or an Affiliate, as applicable, or, if there is no such plan, a physical or mental condition that prevents the grantee from performing the essential functions of the grantee’s position (with or without reasonable accommodation) for a period of six consecutive months. For the avoidance of doubt, the existence of such disability shall not constituted a “Cause” as defined in Section 1.6. The existence of a disability shall be determined by the Administrator.

(e) Death.

(i) *Termination of Employment as a Result of Grantee’s Death.* If a grantee incurs a termination of employment or consultancy/service relationship or leaves the Board as the result of his or her death, then any outstanding option or stock appreciation right shall, to the extent exercisable at the time of such death, remain exercisable for a period of one year after such death; provided that in no event may such option or stock appreciation right be exercised following the original expiration date of the Award.

(ii) *Restrictions on Exercise Following Death.* Any such exercise of an Award following a grantee’s death shall be made only by the grantee’s executor or administrator or other duly appointed representative reasonably acceptable to the Administrator, unless the grantee’s will specifically disposes of such Award, in which case such exercise shall be made only by the recipient of such specific disposition. If a grantee’s personal representative or the recipient of a specific disposition under the grantee’s will shall be entitled to exercise any Award pursuant to the preceding sentence, such representative or recipient shall be bound by all the terms and conditions of the Plan and the applicable Award Agreement which would have applied to the grantee.

(f) Administrator Discretion. The Administrator may, in writing, waive or modify the application of the foregoing provisions of this Section 2.4.

2.5. Transferability of Options and Stock Appreciation Rights

Except as otherwise provided in an applicable Award Agreement evidencing an option or stock appreciation right, during the lifetime of a grantee, each such Award granted to a grantee shall be exercisable only by the grantee, and no such Award shall be assignable or transferable other than by will or by the laws of descent and distribution. The Administrator may, in any applicable Award Agreement evidencing an option or stock appreciation right, permit a grantee to transfer all or some of the options or stock appreciation rights to (a) the grantee’s spouse, children or grandchildren (“Immediate Family Members”), (b) a trust or trusts for the exclusive benefit of such Immediate Family Members or (c) other parties approved by the Administrator. Following any such transfer, any transferred options and stock appreciation rights shall continue to be subject to the same terms and conditions as were applicable immediately prior to the transfer.

2.6. Grant of Restricted Stock

(a) Restricted Stock Grants. The Administrator may grant restricted shares of Common Stock to such Key Persons, in such amounts and subject to such vesting and forfeiture provisions and other terms and conditions as the Administrator shall determine, subject to the provisions of the Plan. A grantee of a restricted stock Award shall have no rights with respect to such Award unless such grantee accepts the Award within such period as the Administrator shall specify by accepting delivery of a restricted stock Award Agreement in such form as the Administrator shall determine and, in the event the restricted shares are newly issued by the Company, makes payment to the Company or its Exchange Agent by certified or official bank check (or the equivalent thereof acceptable to the Administrator) in an amount at least equal to the par value of the shares covered by the Award (which payment may be waived at the time of grant of the restricted stock Award to the extent the restricted shares granted hereunder are otherwise deemed to be fully paid and non-assessable).

(b) Issuance of Stock Certificate. Promptly after a grantee accepts a restricted stock Award in accordance with Section 2.6(a), subject to Sections 3.2, 3.4 and 3.13, the Company or its Exchange Agent shall issue to the grantee a stock certificate or stock certificates for the shares of Common Stock covered by the Award or shall establish an account evidencing ownership of the stock in uncertificated form. Upon the issuance of such stock certificates, or establishment of such account, the grantee shall have the rights of a stockholder with respect to the restricted stock, subject to: (i) the nontransferability restrictions and forfeiture provisions described in the Plan (including paragraphs (d) and (e) of this Section 2.6); (ii) in the Administrator’s sole discretion, a requirement, as set forth in the Award Agreement, that any dividends paid on such shares shall be held in escrow and, unless otherwise determined by the Administrator, shall remain forfeitable until all restrictions on such shares have lapsed; and (iii) any other restrictions and conditions contained in the applicable Award Agreement.

(c) Custody of Stock Certificate. Unless the Administrator shall otherwise determine, any stock certificates issued evidencing shares of restricted stock shall remain in the possession of the Company until such shares are free of any restrictions specified in the applicable Award Agreement. The Administrator may direct that such stock certificates bear a legend setting forth the applicable restrictions on transferability.

(d) Nontransferability. Shares of restricted stock may not be sold, assigned, transferred, pledged or otherwise encumbered or disposed of prior to the lapsing of all restrictions thereon, except as otherwise specifically provided in this Plan or the applicable Award Agreement. The Administrator at the time of grant shall specify the date or dates (which may depend upon or be related to the attainment of performance goals and other conditions) on which the nontransferability of the restricted stock shall lapse.

(e) Consequence of Termination of Employment. Unless otherwise set forth in the applicable Award Agreement, (i) a grantee’s termination of employment or consultancy/service relationship and/or dismissal/resignation from the Board for any reason other than death or disability (as defined in the Plan) shall cause the immediate forfeiture of all shares of restricted stock that have not yet vested as of the date of such termination of employment or consultancy/service relationship and/or dismissal/resignation from the Board and (ii) if a grantee incurs a termination of employment or consultancy/service relationship or dismissal from the Board as the result of his or her death or disability, all shares of restricted stock that have not yet vested as of the date of such termination or departure from the Board shall immediately vest as of such date. Unless otherwise determined by the Administrator, all dividends paid on shares forfeited under this Section 2.6(e) that have not theretofore been directly remitted to the grantee shall also be forfeited, whether by termination of any escrow arrangement under which such dividends are held or otherwise. The Administrator may, in writing, waive or modify the application of the foregoing provisions of this Section 2.6(e).

2.7. Grant of Restricted Stock Units

(a) Restricted Stock Unit Grants. The Administrator may grant restricted stock units to such Key Persons, and in such amounts and subject to such vesting and forfeiture provisions and other terms and conditions, as the Administrator shall determine, subject to the provisions of the Plan. A restricted stock unit granted under the Plan shall confer upon the grantee a right to receive from the Company, conditioned upon the occurrence of such vesting event as shall be determined by the Administrator and specified in the Award Agreement, the number of such grantee’s restricted stock units that vest upon the occurrence of such vesting event multiplied by the Fair Market Value of a share of Common Stock on the date of vesting. Payment upon vesting of a restricted stock unit shall be in cash or in shares of Common Stock (valued at their Fair Market Value on the date of vesting) or both, all as the Administrator shall determine, and such payments shall be made to the grantee at such time as provided in the Award Agreement.

(b) Dividend Equivalents. The Administrator may include in any Award Agreement with respect to a restricted stock unit a dividend equivalent right entitling the grantee to receive amounts equal to the ordinary dividends that would be paid, during the time such Award is outstanding and unvested, on the shares of Common Stock underlying such Award if such shares were then outstanding. In the event such a provision is included in a Award Agreement, the Administrator shall determine whether such payments shall be (i) paid to the holder of the Award, as specified in the Award Agreement, either (A) at the same time as the underlying dividends are paid, regardless of the fact that the restricted stock unit has not theretofore vested, or (B) at the time at which the Award’s vesting event occurs, conditioned upon the occurrence of the vesting event, (ii) made in cash, shares of Common Stock or other property and (iii) subject to such other vesting and forfeiture provisions and other terms and conditions as the Administrator shall deem appropriate and as shall be set forth in the Award Agreement.

(c) Consequence of Termination of Employment. Unless otherwise set forth in the applicable Award Agreement, (i) a grantee's termination of employment or consultancy/service relationship and/or dismissal/resignation from the Board for any reason other than death or disability (as defined in the Plan) shall cause the immediate forfeiture of all restricted stock units that have not yet vested as of the date of such termination of employment or consultancy/service relationship and/or dismissal/resignation from the Board and (ii) if a grantee incurs a termination of employment or consultancy/service relationship or dismissal from the Board as the result of his or her death or disability, all restricted stock units that have not yet vested as of the date of such termination or departure from the Board shall immediately vest as of such date. Unless otherwise determined by the Administrator, any dividend equivalent rights on any restricted stock units forfeited under this Section 2.7(c) that have not theretofore been directly remitted to the grantee shall also be forfeited, whether by termination of any escrow arrangement under which such dividends are held or otherwise. The Administrator may, in writing, waive or modify the application of the foregoing provisions of this Section 2.7(c).

(d) No Stockholder Rights. No grantee of a restricted stock unit shall have any of the rights of a stockholder of the Company with respect to such Award unless and until a stock certificate is issued with respect to such Award upon the vesting of such Award (it being understood that the Administrator shall determine whether to pay any vested restricted stock unit in the form of cash or Company shares or both), which issuance shall be subject to Sections 3.2, 3.4 and 3.13. Except as otherwise provided in Section 1.5(c), no adjustment to any restricted stock unit shall be made for dividends, distributions or other rights (whether ordinary or extraordinary, and whether in cash, securities or other property) for which the record date is prior to the date such stock certificate, if any, is issued.

(e) Transferability of Restricted Stock Units. Except as otherwise provided in an applicable Award Agreement evidencing a restricted stock unit, no restricted stock unit granted under the Plan shall be assignable or transferable. The Administrator may, in any applicable Award Agreement evidencing a restricted stock unit, permit a grantee to transfer all or some of the restricted stock units to (i) the grantee's Immediate Family Members, (ii) a trust or trusts for the exclusive benefit of such Immediate Family Members or (iii) other parties approved by the Administrator. Following any such transfer, any transferred restricted stock units shall continue to be subject to the same terms and conditions as were applicable immediately prior to the transfer.

2.8. Grant of Unrestricted Stock

The Administrator may grant (or sell at a purchase price at least equal to par value) shares of Common Stock free of restrictions under the Plan to such Key Persons and in such amounts and subject to such forfeiture provisions as the Administrator shall determine. Shares may be thus granted or sold in respect of past services or other valid consideration.

**ARTICLE III.
Miscellaneous**

3.1. Amendment of the Plan; Modification of Awards

(a) Amendment of the Plan. The Board may from time to time suspend, discontinue, revise or amend the Plan in any respect whatsoever, except that no such amendment shall materially impair any rights or materially increase any obligations under any Award theretofore made under the Plan without the consent of the grantee (or, upon the grantee’s death, the Person having the right to exercise the Award). For purposes of this Section 3.1, any action of the Board or the Administrator that in any way alters or affects the tax treatment of any Award shall not be considered to materially impair any rights of any grantee.

(b) Stockholder Approval Requirement. If required by applicable rules or regulations of a national securities exchange or the SEC, and unless a specific waiver of the applicability of such rules has been obtained by the pertinent authority, the Company shall obtain stockholder approval with respect to any amendment to the Plan that (i) expands the types of Awards available under the Plan, (ii) materially increases the number of shares which may be issued under the Plan (except as permitted pursuant to Section 1.5(c)), (iii) materially increases the benefits to participants under the Plan, including any material change to (A) permit, or that has the effect of, a “re-pricing” of any outstanding Award, (B) reduce the price at which shares of options to purchase shares may be offered or (C) extends the duration of the Plan or (iv) materially expands the class of Persons eligible to receive Awards under the Plan.

(c) Modification of Awards. The Administrator may cancel any Award under the Plan. The Administrator also may amend any outstanding Award Agreement, including, without limitation, by amendment which would: (i) accelerate the time or times at which the Award becomes unrestricted, vested or may be exercised; (ii) waive or amend any goals, restrictions or conditions set forth in the Award Agreement; or (iii) waive or amend the operation of Sections 2.4, 2.6 (e) or 2.7(c) with respect to the termination of the Award upon termination of employment or consultancy/service relationship and/or dismissal/resignation from the Board; provided, however, that no such amendment shall be made without shareholder approval if such approval is necessary to comply with any tax or regulatory requirement applicable to the Award. However, any such cancellation or amendment (other than an amendment pursuant to Section 1.5, 3.5 or 3.16) that materially impairs the rights or materially increases the obligations of a grantee under an outstanding Award shall be made only with the consent of the grantee (or, upon the grantee’s death, the Person having the right to exercise the Award). In making any modification to an Award (e.g., an amendment resulting in a direct or indirect reduction in the Exercise Price or a waiver or modification under Section 2.4(f), 2.6(e) or 2.7(c)), the Administrator may consider the implications, if any, of such modification under Sections 409A and 457A of the Code with respect to Awards granted under the Plan to individuals subject to such provisions of the Code.

3.2. Consent Requirement

(a) No Plan Action Without Required Consent. If the Administrator shall at any time determine that any Consent (as defined below) is necessary or desirable as a condition of, or in connection with, the granting of any Award under the Plan, the issuance or purchase of shares or other rights thereunder, or the taking of any other action thereunder (each such action being hereinafter referred to as a “Plan Action”), then such Plan Action shall not be taken, in whole or in part, unless and until such Consent shall have been effected or obtained to the full satisfaction of the Administrator.

(b) Consent Defined. The term “Consent” as used herein with respect to any Plan Action means (i) any and all listings, registrations or qualifications in respect thereof upon any securities exchange or under any federal, state or local law, rule or regulation, (ii) any and all written agreements and representations by the grantee with respect to the disposition of shares, or with respect to any other matter, which the Administrator shall deem necessary or desirable to comply with the terms of any such listing, registration or qualification or to obtain an exemption from the requirement that any such listing, qualification or registration be made and (iii) any and all consents, clearances and approvals in respect of a Plan Action by any governmental or other regulatory bodies.

3.3. Nonassignability

Except as provided in Sections 2.4(e), 2.5, 2.6(d) or 2.7(e), (a) no Award or right granted to any Person under the Plan or under any Award Agreement shall be assignable or transferable other than by will or by the laws of descent and distribution and (b) all rights granted under the Plan or any Award Agreement shall be exercisable during the life of the grantee only by the grantee or the grantee’s legal representative or the grantee’s permissible successors or assigns (as authorized and determined by the Administrator). All terms and conditions of the Plan and the applicable Award Agreements will be binding upon any permitted successors or assigns.

3.4. Taxes

(a) Withholding. A grantee or other Award holder under the Plan shall be required to pay, in cash, to the Company, and the Company and Affiliates shall have the right and are hereby authorized to withhold from any Award, from any payment due or transfer made under any Award or under the Plan or from any compensation or other amount owing to such grantee or other Award holder, the amount of any applicable withholding taxes in respect of an Award, its grant, its exercise, its vesting, or any payment or transfer under an Award or under the Plan, and to take such other action as may be necessary in the opinion of the Company to satisfy all obligations for payment of such taxes. Whenever shares of Common Stock are to be delivered pursuant to an Award under the Plan, with the approval of the Administrator, which the Administrator shall have sole discretion whether or not to give, the grantee may satisfy the foregoing condition by electing to have the Company withhold from delivery shares having a value equal to the amount of minimum tax required to be withheld. Such shares shall be valued at their Fair Market Value as of the date on which the amount of tax to be withheld is determined. Fractional share amounts shall be settled in cash. Such a withholding election may be made with respect to all or any portion of the shares to be delivered pursuant to an Award as may be approved by the Administrator in its sole discretion.

(b) Liability for Taxes. Grantees and holders of Awards are solely responsible and liable for the satisfaction of all taxes and penalties that may arise in connection with Awards (including, without limitation, any taxes arising under Sections 409A and 457A of the Code) and the Company shall not have any obligation to indemnify or otherwise hold any such Person harmless from any or all of such taxes. The Administrator shall have the discretion to organize any deferral program, to require deferral election forms, and to grant or, notwithstanding anything to the contrary in the Plan or any Award Agreement, to unilaterally modify any Award in a manner that (i) conforms with the requirements of Sections 409A and 457A of the Code (to the extent applicable), (ii) voids any participant election to the extent it would violate Sections 409A or 457A of the Code (to the extent applicable) and (iii) for any distribution event or election that could be expected to violate Section 409A of the Code, make the distribution only upon the earliest of the first to occur of a "permissible distribution event" within the meaning of Section 409A of the Code or a distribution event that the participant elects in accordance with Section 409A of the Code. The Administrator shall have the sole discretion to interpret the requirements of the Code, including, without limitation, Sections 409A and 457A, for purposes of the Plan and all Awards.

3.5. Change in Control¹

(a) Change in Control Defined. Unless otherwise set forth in the applicable Award Agreement, for purposes of the Plan, “Change in Control” shall mean the occurrence of any of the following:

(i) any “person” (as defined in Section 13(d)(3) of the 1934 Act), company or other entity (other than (A) the Company, (B) any trustee or other fiduciary holding securities under an employee benefit plan of the Company or any of its Affiliates, (C) any company or other entity owned, directly or indirectly, by the holders of the voting stock of the Company in substantially the same proportions as their ownership of the aggregate voting power of the capital stock ordinarily entitled to elect directors of the Company or (D) Firmment Trading Limited of Cyprus or any of its Affiliates and Immediate Family Members of such Affiliates who are natural persons, provided that the Company’s Common Stock remains listed on a regulated securities exchange) acquires “beneficial ownership” (as defined in Rule 13d-3 under the 1934 Act), directly or indirectly, of more than 50% of the aggregate voting power of the capital stock ordinarily entitled to elect directors of the Company;

¹ This definition to be discussed (i.e. whether we need to conform it with the Change of Control Definitions in the employment agreements of GKK and ESD).

- (ii) the sale of all or substantially all the Company’s assets in one or more related transactions to any “person” (as defined in Section 13(d) (3) of the 1934 Act), company or other entity, other than such a sale (A) to a Subsidiary which does not involve a material change in the equity holdings of the Company, or (B) to an entity which has acquired all or substantially all the Company’s assets or (C) to Firment Trading Limited of Cyprus or any of its Affiliates and Immediate Family Members of such Affiliates who are natural persons) (any such entity described in clause (A), (B) or (C), the “Acquiring Entity”) if, immediately following such sale, 50% or more of the aggregate voting power of the capital stock ordinarily entitled to elect directors of the Acquiring Entity (or, if applicable, the ultimate parent entity that directly or indirectly has beneficial ownership of more than 50% of the aggregate voting power of the capital stock ordinarily entitled to elect directors of the Acquiring Entity) is beneficially owned by the holders of the voting stock of the Company, and such voting power among the persons who were holders of the voting stock of the Company immediately prior to such sale is, immediately following such sale, held in substantially the same proportions as the aggregate voting power of the capital stock ordinarily entitled to elect directors of the Company immediately prior to such sale;
- (iii) any merger, consolidation, reorganization or similar event of the Company or any Subsidiary as a result of which the holders of the voting stock of the Company immediately prior to such merger, consolidation, reorganization or similar event do not directly or indirectly hold 50% or more of the aggregate voting power of the capital stock of the surviving entity (or, if applicable, the ultimate parent entity that directly or indirectly has beneficial ownership of more than 50% of the aggregate voting power of the capital stock ordinarily entitled to elect directors of the surviving entity) and such voting power among the persons who were holders of the voting stock of the Company immediately prior to such sale is, immediately following such sale, held in substantially the same proportions as the aggregate voting power of the capital stock ordinarily entitled to elect directors of the Company immediately prior to such sale; or
- (iv) the approval by the Company’s stockholders of a plan of complete liquidation or dissolution of the Company.

Notwithstanding the foregoing, unless otherwise set forth in the applicable Award Agreement, for each Award subject to Section 409A of the Code, a Change in Control shall be deemed to occur under this Plan with respect to such Award only if a change in the ownership or effective control of the Company or a change in the ownership of a substantial portion of the assets of the Company shall also be deemed to have occurred under Section 409A of the Code, provided that such limitation shall apply to such Award only to the extent necessary to avoid adverse tax effects under Section 409A of the Code.

- (b) Effect of a Change in Control. Unless the Administrator provides otherwise in an Award Agreement, upon the occurrence of a Change in Control:
 - (i) notwithstanding any other provision of this Plan, any Award then outstanding shall become fully vested and any restriction and forfeiture provisions thereon imposed pursuant to the Plan and the Award Agreement shall lapse and any Award in the form of an option or stock appreciation right shall be immediately exercisable;

(ii) to the extent permitted by law and not otherwise limited by the terms of the Plan, the Administrator may amend any Award Agreement in such manner as it deems appropriate;

(iii) a grantee who incurs a termination of employment or consultancy/service relationship or dismissal from the Board for any reason, other than a termination or dismissal “for Cause”, concurrent with or within one year following the Change in Control may exercise any outstanding option or stock appreciation right, but only to the extent that the grantee was entitled to exercise the Award on the date of his or her termination of employment or consultancy/service relationship or dismissal from the Board, until the earlier of (A) the original expiration date of the Award and (B) the later of (x) the date provided for under the terms of Section 2.4 without reference to this Section 3.5(b)(iii) and (y) the first anniversary of the grantee’s termination of employment or consultancy/service relationship or dismissal from the Board.

(c) Miscellaneous. Whenever deemed appropriate by the Administrator, any action referred to in paragraph (b)(ii) of this Section 3.5 may be made conditional upon the consummation of the applicable Change in Control transaction. For purposes of the Plan and any Award Agreement granted hereunder, the term “Company” shall include any successor to Globus Maritime Limited.

3.6. Operation and Conduct of Business

Nothing in the Plan or any Award Agreement shall be construed as limiting or preventing the Company or any Affiliate from taking any action with respect to the operation and conduct of their business that they deem appropriate or in their best interests, including any or all adjustments, recapitalizations, reorganizations, exchanges or other changes in the capital structure of the Company or any Affiliate, any merger or consolidation of the Company or any Affiliate, any issuance of Company shares or other securities or subscription rights, any issuance of bonds, debentures, preferred or prior preference stock ahead of or affecting the Common Stock or other securities or rights thereof, any dissolution or liquidation of the Company or any Affiliate, any sale or transfer of all or any part of the assets or business of the Company or any Affiliate, or any other corporate act or proceeding, whether of a similar character or otherwise.

3.7. No Rights to Awards

No Key Person or other Person shall have any claim to be granted any Award under the Plan.

3.8. Right of Discharge Reserved

Nothing in the Plan or in any Award Agreement shall confer upon any grantee the right to continue his or her employment with the Company or any Affiliate, his or her consultancy/service relationship with the Company or any Affiliate, or his or her position as a director of the Company or any Affiliate, or affect any right that the Company or any Affiliate may have to terminate such employment or consultancy/service relationship or service as a director.

3.9. Non-Uniform Determinations

The Administrator’s determinations and the treatment of Key Persons and grantees and their beneficiaries under the Plan need not be uniform and may be made and determined by the Administrator selectively among Persons who receive, or who are eligible to receive, Awards under the Plan (whether or not such Persons are similarly situated). Without limiting the generality of the foregoing, the Administrator shall be entitled, among other things, to make non-uniform and selective determinations, and to enter into non-uniform and selective Award Agreements, as to (a) the Persons to receive Awards under the Plan, (b) the types of Awards granted under the Plan, (c) the number of shares to be covered by, or with respect to which payments, rights or other matters are to be calculated with respect to, Awards and (d) the terms and conditions of Awards.

3.10. Other Payments or Awards

Nothing contained in the Plan shall be deemed in any way to limit or restrict the Company from making any award or payment to any Person under any other plan, arrangement or understanding, whether now existing or hereafter in effect.

3.11. Headings

Any section, subsection, paragraph or other subdivision headings contained herein are for the purpose of convenience only and are not intended to expand, limit or otherwise define the contents of such subdivisions.

3.12. Effective Date and Term of Plan

(a) Adoption; Stockholder Approval. The Plan was adopted by the Board on October 22, 2012. The Board may, but need not, make the granting of any Awards under the Plan subject to the approval of the Company’s stockholders.

(b) Termination of Plan. The Board may terminate the Plan at any time. All Awards made under the Plan prior to its termination shall remain in effect until such Awards have been satisfied or terminated in accordance with the terms and provisions of the Plan and the applicable Award Agreements. No Awards may be granted under the Plan following the tenth anniversary of the date on which the Plan was adopted by the Board.

3.13. Restriction on Issuance of Stock Pursuant to Awards

The Company shall not permit any shares of Common Stock to be issued pursuant to Awards granted under the Plan unless such shares of Common Stock are fully paid and non-assessable under applicable law. Notwithstanding anything to the contrary in the Plan or any Award Agreement, at the time of the exercise of any Award, at the time of vesting of any Award, at the time of payment of shares of Common Stock in exchange for, or in cancellation of, any Award, or at the time of grant of any unrestricted shares under the Plan, the Company and the Administrator may, if either shall deem it necessary or advisable for any reason, require the holder of an Award (a) to represent in writing to the Company that it is the Award holder’s then-intention to acquire the shares with respect to which the Award is granted for investment and not with a view to the distribution thereof or (b) to postpone the date of exercise until such time as the Company has available for delivery to the Award holder a prospectus meeting the requirements of all applicable securities laws; and no shares shall be issued or transferred in connection with any Award unless and until all legal requirements applicable to the issuance or transfer of such shares have been complied with to the satisfaction of the Company and the Administrator. The Company and the Administrator shall have the right to condition any issuance of shares to any Award holder hereunder on such Person’s undertaking in writing to comply with such restrictions on the subsequent transfer of such shares as the Company or the Administrator shall deem necessary or advisable as a result of any applicable law, regulation or official interpretation thereof, and all share certificates delivered under the Plan shall be subject to such stop transfer orders and other restrictions as the Company or the Administrator may deem advisable under the Plan, the applicable Award Agreement or the rules, regulations and other requirements of the SEC, any stock exchange upon which such shares are listed, and any applicable securities or other laws, and certificates representing such shares may contain a legend to reflect any such restrictions. The Administrator may refuse to issue or transfer any shares or other consideration under an Award if it determines that the issuance or transfer of such shares or other consideration might violate any applicable law or regulation or entitle the Company to recover the same under Section 16(b) of the 1934 Act, and any payment tendered to the Company by a grantee or other Award holder in connection with the exercise of such Award shall be promptly refunded to the relevant grantee or other Award holder. Without limiting the generality of the foregoing, no Award granted under the Plan shall be construed as an offer to sell securities of the Company, and no such offer shall be outstanding, unless and until the Administrator has determined that any such offer, if made, would be in compliance with all applicable requirements of any applicable securities laws.

3.14. Requirement of Notification of Election Under Section 83(b) of the Code

If an Award recipient, in connection with the acquisition of Company shares under the Plan, makes an election under Section 83(b) of the Code (to include in gross income in the year of transfer the amounts specified in Section 83(b) of the Code), the grantee shall notify the Administrator of such election within ten days of filing notice of the election with the U.S. Internal Revenue Service, in addition to any filing and notification required pursuant to regulations issued under Section 83(b) of the Code.

3.15. Severability

If any provision of the Plan or any Award is or becomes or is deemed to be invalid, illegal, or unenforceable in any jurisdiction or as to any Person or Award, or would disqualify the Plan or any Award under any law deemed applicable by the Administrator, such provision shall be construed or deemed amended to conform to the applicable laws or, if it cannot be construed or deemed amended without, in the determination of the Administrator, materially altering the intent of the Plan or the Award, such provision shall be stricken as to such jurisdiction, Person or Award and the remainder of the Plan and any such Award shall remain in full force and effect.

3.16. Sections 409A and 457A

To the extent applicable, the Plan and Award Agreements shall be interpreted in accordance with Sections 409A and 457A of the Code and Department of Treasury regulations and other interpretive guidance issued thereunder. Notwithstanding any provision of the Plan or any applicable Award Agreement to the contrary, in the event that the Administrator determines that any Award may be subject to Section 409A or 457A of the Code, the Administrator may adopt such amendments to the Plan and the applicable Award Agreement or adopt other policies and procedures (including amendments, policies and procedures with retroactive effect), or take any other actions, that the Administrator determines are necessary or appropriate to (i) exempt the Plan and Award from Sections 409A and 457A of the Code and/or preserve the intended tax treatment of the benefits provided with respect to the Award, or (ii) comply with the requirements of Sections 409A and 457A of the Code and related Department of Treasury guidance and thereby avoid the application of penalty taxes under Sections 409A and 457A of the Code.

3.17. Forfeiture; Clawback

The Administrator may, in its sole discretion, specify in the applicable Award Agreement that any realized gain with respect to options or stock appreciation rights and any realized value with respect to other Awards shall be subject to forfeiture or clawback, in the event of (a) a grantee’s breach of any non-competition, non-solicitation, confidentiality or other restrictive covenants with respect to the Company or any of its Affiliates or (ii) a financial restatement that reduces the amount of bonus or incentive compensation previously awarded to a grantee that would have been earned had results been properly reported.

3.18. No Trust or Fund Created

Neither the Plan nor any Award shall create or be construed to create a trust or separate fund of any kind or a fiduciary relationship between the Company or any of its Affiliates and an Award recipient or any other Person. To the extent that any Person acquires a right to receive payments from the Company or any of its Affiliates pursuant to an Award, such right shall be no greater than the right of any unsecured general creditor of the Company or its Affiliates.

3.19. No Fractional Shares

No fractional shares shall be issued or delivered pursuant to the Plan or any Award, and the Administrator shall determine whether cash, other securities, or other property shall be paid or transferred in lieu of any fractional shares or whether such fractional shares or any rights thereto shall be canceled, terminated, or otherwise eliminated.

3.20. Governing Law and Jurisdiction

The Plan will be construed and administered in accordance with the laws of the State of New York, without giving effect to principles of conflict of laws and, unless otherwise set forth in the applicable Award Agreement, any dispute or claim arising out of or in connection with the Plan, any applicable Award Agreement, their subject matter or formation (including non-contractual disputes or claims) shall be subject to the exclusive jurisdiction of the courts of Piraeus, Greece.

SECOND SUPPLEMENTAL AGREEMENT
to the Revolving Credit Facility Agreement dated 16.12.2013
as amended by the First Supplemental Agreement dated 28.04.2015

This Deed is dated December 29, 2015 and is made in Cyprus BETWEEN:

- (1) **GLOBUS MARITIME LIMITED**, a company duly incorporated in the Republic of the Marshall Islands and having its registered address at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH96960, Marshall Islands (the “**Borrower**”);
- (2) **FIRMMENT TRADING LIMITED**, a company duly incorporated in Cyprus and having its registered office at 1 Kostaki Pantelidi Street, Kolokasides Building, 3rd floor, PC 1010, Nicosia, Cyprus (the “**Lender**”);

WHEREAS:

- 1. This Second Supplemental Agreement is supplemental to and constitutes an integral part of a facility agreement dated 16th December 2013 (the “**Original Facility Agreement**”) as amended by a first supplemental agreement dated 28 April 2015 (the “**First Supplemental Agreement**” and together with the Original Facility Agreement are hereinafter referred to as the “**Existing Facility Agreement**”) made between the Borrower and the Lender, pursuant to which the Lender agreed (*inter alia*) to make available to the Borrower, upon the terms and conditions therein contained, a revolving credit facility of up to US Dollars Eight million (US\$ 8,000,000) for the purpose specified therein.
- 2. This Second Supplemental Agreement sets out the terms and conditions upon which the Lender agrees, at the request of the Borrower, to an increase of the amount of the Facility, as more specifically set out in this Second Supplemental Agreement.

NOW IT IS HEREBY AGREED as follows:

1. DEFINITIONS AND INTERPRETATION

1.01 Unless the context otherwise requires or unless otherwise defined herein, words and expressions defined in the Existing Facility Agreement shall have the same meanings when used in this Second Supplemental Agreement.

1.02 References in the Existing Facility Agreement to “this agreement” shall be references to the Existing Facility Agreement as amended and supplemented by this Second Supplemental Agreement and words such as “herein” and “hereof” where they appear in the Existing Facility Agreement, shall be construed accordingly.

1.03 In this Second Supplemental Agreement:

“**Facility Agreement**” means the Existing Facility Agreement as supplemented and amended by this Second Supplemental Agreement and/or as same may be supplemented and/or varied and/or amended at any time hereinafter.

2. INCREASE OF THE FACILITY – AMENDMENTS TO THE EXISTING FACILITY AGREEMENT

2.01. Increase of the Facility

The Lender, at Borrower’s request, hereby agrees, upon and subject to the terms of the Existing Facility Agreement and this Second Supplemental Agreement, to an increase of the Facility in the additional amount of US Dollars twelve million (US \$12,000,000), thus increasing the aggregate amount of the Facility from US Dollars eight million (US \$8,000,000) (provided for in the Existing Facility Agreement) to US Dollars twenty million (US \$20,000,000). The additional amount of the Facility may be drawn by the Borrower in one or more Advances.

In view of the above, it is hereby agreed that, with effect from 2 June 2015 (the “**Effective Date**”), Clause 1 (“**Revolving Credit Facility–Purpose**”) of the Existing Facility Agreement is hereby amended to read as follows:

“1. REVOLVING CREDIT FACILITY-PURPOSE

***1.01** This agreement sets out the terms and conditions upon and subject to which the Lender, which is a shareholder of the Borrower, shall make available to the Borrower a revolving credit facility of up to US Dollars Twenty million (US\$20,000,000) ("the **Facility**" and such term shall mean the principal amount owing to the Lender at any relevant time) during a period starting on the date hereof and ending on 11 April 2017 to be used by the Borrower for general working capital purposes. The Lender shall not be obliged to monitor or verify how the proceeds of the Facility or part thereof have been used by the Borrower.”*

2.02. Further amendments to the Existing Facility Agreement

a) The Lender, at the request of the Borrower, hereby agrees and the Borrower undertakes that the Loan and any and all other amounts owing at any relevant time by the Borrower to the Lender under the Facility Agreement will be repaid in full not later than 12 April 2017.

b) In view of the above it is hereby agreed that, with effect from the Effective Date, Clause 4.01 of the Existing Facility Agreement is hereby deleted and the following clause is hereby inserted in its place:

***4.01 (Repayment)** The aggregate of all the Loans, interest accrued thereon, costs and all other sums owing and outstanding under this agreement shall be repaid in full in one lump sum not later than 12 April 2017 (“the **Final Maturity Date**”). On the Final Maturity Date, the Facility will be deemed automatically cancelled and revoked without any further notice to the Borrower and no amount may be re-borrowed on or after the Final Maturity Date. On the Final Maturity Date any interest owing and unpaid, costs and any other amounts owing under this agreement shall be repaid in full.”.*

c) Clause 11.09 (Notices) of the Existing Facility Agreement is hereby amended so that each notice or other communication to the Borrower, required to be given under, or in connection with the Facility Agreement shall be sent to the email: corporatesecretary@globusmaritime.gr and shall be addressed to the attention of the Corporate Secretary of the Borrower.

d) The Borrower hereby appoints Mrs Olga Lambrianidou as process agent in Greece and revokes the appointment of Mr. Georgios Karageorgiou made by the Borrower in Clause 11.10 (Process Agent in Greece) of the Existing Facility Agreement and, as a result, Clause 11.10 of the Existing Facility Agreement is hereby amended so that reference to Mr. Georgios Karageorgiou be deleted and Ms Olga Lambrianidou of 128 Vouliagmenis Avenue, 3rd Floor, 166 74 Glyfada, Greece, be referred to therein as the process agent in Greece .

e) Clause 11.13 (b) of the Existing Facility Agreement is hereby deleted and replaced by the following:

“(b) Each of the parties irrevocably agrees that the courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim that arises out of or in connection with this agreement or its subject matter or formation (including non-contractual disputes or claims). Each of the parties hereto irrevocably and unconditionally submits to the jurisdiction of such courts and irrevocably designates, appoints and empowers Mr. Emmanuel K. Stavrianakis (103, Totterbridge Lane, London N20 8DX, England) to receive for it and on its behalf, service of process issued out of the English courts in any such legal action or proceedings.”

3. CONDITIONS PRECEDENT

3.01 The effectiveness of Clause 2 of this Second Supplemental Agreement and the obligation of the Lender to allow any further use of the Facility or part thereof is subject to the condition that the Lender shall have received the following documents and evidence in form and substance satisfactory to the Lender and (if required by the Lender), certified, notarised, legalised or attested in a manner acceptable to the Lender:

- (i) A recent certificate of Incumbency of the Borrower signed by the secretary or a director of the Borrower stating its officers and/or its directors and confirming that there has been no change to the documents relating to its constitution;
- (ii) Minutes of meetings of the directors of the Borrower at which there was approved the entry into, execution, delivery and performance of this Second Supplemental Agreement and any other documents executed or to be executed pursuant hereto or thereto to which the Borrower is a party; and
- (iii) Any other evidence, as the Lender may require, of the due authority of any person signing this Second Supplemental Agreement and any other documents executed or to be executed pursuant hereto or thereto on behalf of the Borrower.

3.02 The obligation of the Lender to allow any further use of the Facility or part thereof is subject to the conditions that prior to and/or simultaneously with the delivery of the relevant Utilisation Request:

- (i) The representations and warranties set out in clause 6 of the Existing Facility Agreement are true and correct on and as of each such time as if each was made with respect to the facts and circumstances existing at such time;
- (ii) Any consent or permit as may be required has been obtained and remains valid; and
- (iii) No Event of Default shall have occurred and be continuing or would result from the drawdown of an Advance.

4. REPRESENTATIONS AND WARRANTIES

4.01 This Second Supplemental Agreement is entered into by the Lender in reliance upon the representations made herein by the Borrower to the effect that all the representations and warranties in clause 6 of the Existing Facility Agreement are true and correct on the Effective Date as if each were made with respect to the facts and circumstances existing at such time, including to the extent that they may have been or shall be amended by this Second Supplemental Agreement and are repeated herein -as if contained *in extenso* and as if made with reference to the facts and circumstances existing on the date hereof- in connection with the Borrower and the Borrower covenants that the said representations and warranties shall remain true and correct and represents that there has not occurred and/or is continuing any Event of Default or any event which would constitute an Event of Default with the passage of time or the giving of notice or both.

5. RECONFIRMATION

In consideration of the agreement of the Lender contained in this Second Supplemental Agreement, the Borrower hereby reconfirms its obligations under the Existing Facility Agreement, including, without limitation, compliance with the covenants contained in clause 8 of the Existing Facility Agreement, despite the changes in this Second Supplemental Agreement.

6. MISCELLANEOUS

6.01 All the terms and conditions of the Existing Facility Agreement (other than those amended by this Second Supplemental Agreement) remain in full force and effect and apply to this Second Supplemental Agreement as well, and are deemed to be repeated as if set forth *in extenso* herein.

6.02 The Existing Facility Agreement and this Second Supplemental Agreement constitute an integral document which is valid and binding upon its parties in accordance with its terms.

6.03 This Second Supplemental Agreement may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument.

6.04 The Borrower covenants that from time to time, at the request of the Lender, will execute and deliver to the Lender or procure the execution and delivery to the Lender all such documents as the Lender shall reasonably deem necessary or desirable for giving full effect to this Second Supplemental Agreement or the Facility Agreement and for perfecting and protecting the value of or enforcing any rights or securities granted to the Lender under or pursuant to the Facility Agreement and this Second Supplemental Agreement

7. GOVERNING LAW AND JURISDICTION

7.01 The provisions of clause 11.13(a) of the Existing Facility Agreement shall apply to this Second Supplemental Agreement as if it were set out in full and as if reference to the Existing Facility Agreement were reference to this Second Supplemental Agreement.

7.02 The parties irrevocably agree that the courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim that arises out of or in connection with this Second Supplemental Agreement or its subject matter or formation (including non-contractual disputes or claims). Each of the parties hereto irrevocably and unconditionally submits to the jurisdiction of such courts and irrevocably designates, appoints and empowers Mr. Emmanuel K. Stavrianakis (103, Totterbridge Lane, London N20 8DX, England) to receive for it and on its behalf, service of process issued out of the English courts in any such legal action or proceedings.

8. THIRD PARTY RIGHTS

8.01 A person who is not a party to this Second Supplemental Agreement has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce or to enjoy the benefit of any term of this Second Supplemental Agreement.

IN WITNESS whereof, the parties hereto have caused this Second Supplemental Agreement to be duly executed as a Deed the day and year first above written.

Executed and delivered as a Deed

By Loucas Hadjiyangou)

for and on behalf of)

GLOBUS MARITIME LIMITED)

the Borrower)

/s/ Loucas Hadjiyangou)

Attorney-in-Fact)

in the presence of)

Name Andrea Georgiou)

Address Nicosia Cyprus)

/s/ Andrea Georgiou)

Signature)

Executed and delivered as a Deed

By Savvas Polydrou)

For and on behalf of)

FIRMENT TRADING LIMITED)

the Lender)

/s/ Savvas Polydrou)

Director)

in the presence of)

Name Nikolaos Bratis)

Address Nicosia Cyprus)

/s/ Nikolaos Bratis)

Signature)

Dated 31 December 2015

**THIRD SUPPLEMENTAL AGREEMENT – ASSIGNMENT
to the facility agreement dated 16 December 2013 as amended by
the First Supplemental Agreement dated 28 April 2015 and
the Second Supplemental Agreement dated 29 December 2015**

**relating to the revolving credit facility of
up to US\$ 20,000,000**

Among:

**FIRMENT TRADING LIMITED
of Nicosia, Cyprus**

and

**FIRMENT TRADING LIMITED
of Majuro, Marshall Islands**

and

**GLOBUS MARITIME LIMITED
of Majuro, Marshall Islands**

TABLE OF CONTENTS

Clause Heading

- 1. DEFINITIONS AND INTERPRETATION
- 2. ASSIGNMENT
- 3. CONDITIONS PRECEDENT - UNDERTAKINGS
- 4. REPRESENTATIONS AND WARRANTIES OF THE BORROWER
- 5. FEES, COSTS AND EXPENSES
- 6. FURTHER ASSURANCE
- 7. GOVERNING LAW AND JURISDICTION
- 8. THIRD PARTY RIGHTS

This Deed is dated 31 December 2015 and made AMONG:

- (1) **FIRMMENT TRADING LIMITED**, a company duly incorporated in Cyprus, having its registered office at 1, Kostaki Pantelidi Street, Kolokasides Building, 3rd floor, PC 1010, Nicosia, Cyprus (the "**Outgoing Lender**");
- (2) **FIRMMENT TRADING LIMITED**, a company duly incorporated in the Republic of The Marshall Islands and having its registered office at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands (the "**New Lender**"); and
- (3) **GLOBUS MARITIME LIMITED**, a company duly incorporated in the Republic of The Marshall Islands and having its registered office at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands (the "**Borrower**").

WHEREAS

- (A) By a facility agreement dated 16 December 2013 (the "**Original Facility Agreement**") as amended by the first supplemental agreement dated 28 April 2015 (the "**First Supplemental Agreement**") and the second supplemental agreement dated 29 December 2015 (the "**Second Supplemental Agreement**") and together with the Original Facility Agreement and the First Supplemental Agreement collectively called the "**Principal Facility Agreement**") between the Borrower as borrower and the Outgoing Lender as lender, the Outgoing Lender agreed (*inter alia*) to make available to the Borrower the Facility, upon the terms and conditions therein contained, in the form of a revolving credit facility of up to US Dollars Twenty million (\$20,000,000) for the purpose specified therein; the New Lender hereby acknowledges and confirms that it has received copies of the Original Facility Agreement, the First Supplemental Agreement and the Second Supplemental Agreement.
- (B) The Borrower hereby acknowledges and confirms that as of 31 December 2015 (a) it has received from the Outgoing Lender the amount of US Dollars fourteen million six hundred thousand (\$14,600,000) out of the Facility; (b) the principal amount owing to the Outgoing Lender on the date hereof is US Dollars fourteen million six hundred thousand (\$14,600,000) (the "**Debt**") and such term shall include any present or future liability (actual or contingent) payable or owing by the Borrower to the Outgoing Lender under or in connection with the Principal Facility Agreement); and (c) part of the Facility in the amount of US Dollars five million four hundred thousand (\$5,400,000) (the "**Remaining Facility**") has not been made available by the Outgoing Lender to the Borrower under the Principal Facility Agreement.

(C) The Outgoing Lender wishes to assign to the New Lender all its rights, title, interest and benefits in and under the Principal Facility Agreement with effect on and from the Effective Date (as defined below);

(D) The Outgoing Lender wishes to be released from its liabilities and obligations to the Borrower under the Principal Facility Agreement with effect on and from the Effective Date and the New Lender wishes to assume all such liabilities and obligations in place of the Outgoing Lender; and

(E) This Deed sets out the terms and conditions upon which the assignment and assumption of the Debt and the Principal Facility Agreement and the substitution of the Outgoing Lender by the New Lender shall be effected.

NOW IT IS HEREBY AGREED as follows:

1. DEFINITIONS AND INTERPRETATION

1.01. In this Deed (unless the context otherwise requires) terms and expressions not defined herein but defined in the Principal Facility Agreement shall have the meanings set out therein or, as the context may require, as such terms and expressions have been amended in this Deed.

1.02. In this Deed:

“**Effective Date**” means the date falling not later than three (3) Banking Days after the date of this Deed on which the New Lender and the Outgoing Lender confirm to the Borrower in writing substantially in the form set out in schedule 1 that all of the conditions referred to in clause 3.01 of this Deed have been satisfied;

“**Facility Agreement**” means the Principal Facility Agreement as assigned and supplemented by this Deed and/or as same may be supplemented and/or varied and/or amended at any time hereinafter.

2. ASSIGNMENT

2.01. As and with effect from the Effective Date, and subject to the terms of this Deed and in consideration of the undertakings of the New Lender under clause 2.02 and for other good and valuable consideration (the sufficiency whereof is hereby acknowledged), all the rights, title, interest and benefits of the Outgoing Lender in and to the Debt (including, without limitation, its rights to repayment thereof and payment of interest thereon) and the Principal Facility Agreement are hereby unconditionally, irrevocably and absolutely assigned from the Outgoing Lender to the New Lender which, as of and with effect from the Effective Date, accepts such assignment.

2.02. As and with effect from the Effective Date, the New Lender, in consideration of the assignment, assumes and undertakes to perform the same and all the obligations, duties and liabilities, past present and future, as the duties, liabilities and obligations of the Outgoing Lender to the Borrower under the Principal Facility Agreement including in particular the obligation of the Outgoing Lender to make available to the Borrower the Remaining Facility and the New Lender shall be bound by the terms and provisions of the Principal Facility Agreement to the same extent and in the same manner as if it had been a party thereto as a lender and the New Lender shall be, and is hereby made, party to the Principal Facility Agreement in substitution for the Outgoing Lender, and the Principal Facility Agreement shall henceforth be construed and treated in all respects as if the New Lender was named therein as “Lender” instead of the Outgoing Lender.

2.03. As and with effect from the Effective Date, the Outgoing Lender and the Borrower mutually release and discharge each other from all liabilities, obligations, duties, claims and demands whatsoever arising out of or connected with the Principal Facility Agreement. For the avoidance of doubt, such release and discharge shall be subject to the continued rights, title, interest and benefit of the New Lender in and to the Debt (including, without limitation, the New Lender's rights to repayment thereof and payment of interest thereon) as assigned to the New Lender.

2.04. In consideration of the release under clause 2.03, the Borrower consents to the assignment of the Debt and the substitution of the Outgoing Lender by the New Lender and agrees, as and with effect from the Effective Date, to be indebted to the New Lender for the full amount of the Debt and all other sums which may be or become due to the New Lender under the Principal Facility Agreement as assigned by this Deed and agrees to perform all the liabilities and obligations thereunder and be bound by the terms of the Principal Facility Agreement as assigned by this Deed as if the New Lender had at all times been named therein as “Lender”.

3. CONDITIONS PRECEDENT - UNDERTAKINGS

3.01. The effectiveness of the assignment and assumption under Clause 2 above is subject to the condition that the New Lender shall have received by the Borrower the documents of the kind specified in clause 7.01 of Original Facility Agreement in form and substance satisfactory to the New Lender, including but not limited to:

- (i) minutes of meetings of the directors at which the following have been approved: the entry into, execution, delivery and performance of this Deed, and any other documents executed or to be executed pursuant hereto or thereto to which the Borrower is a party;
- (ii) any other evidence, as the New Lender may require, of the due authority of any person signing this Deed, and any other documents executed or to be executed pursuant hereto or thereto on behalf of the Borrower; and

3.02. The Borrower undertakes to deliver to the New Lender within three (3) Banking Days from the Effective Date (or at such other date as may be agreed between the parties) a written confirmation from any agents nominated in this Deed for the acceptance of any notice or service of process that they consent to such nomination.

3.03. The Outgoing Lender and the New Lender will provide a written confirmation from the agents nominated in this Deed for the acceptance of any notice or service of process on behalf of the Outgoing Lender and the New Lender respectively, that they consent to such nomination.

4. REPRESENTATIONS AND WARRANTIES OF THE BORROWER

4.01. The Borrower hereby represents and warrants to the New Lender that all the representations and warranties in clause 6 of the Original Facility Agreement are true at the date of this Deed and are repeated herein -as if contained *in extenso* and as if made with reference to the facts and circumstances existing on the date hereof-, and the Borrower covenants that they shall remain true so long as the Debt is owing and represents that there has not occurred and/or is continuing any Event of Default or any event which would constitute an Event of Default with the passage of time or the giving of notice or both.

5. FEES, COSTS AND EXPENSES

5.01. The New Lender shall pay on demand all costs and expenses (including legal fees and any expenses for filings required under the NASDAQ listing rules and/or applicable securities laws and regulations) in connection with the negotiation, preparation and execution of this Deed and any other document referred to in this Deed and the completion of the transactions herein contemplated.

6. FURTHER ASSURANCE

6.01. Each party shall do, or procure the doing of, all acts and things and execute, or procure the execution of, all documents as may reasonably be required to give full effect to this Deed.

7. GOVERNING LAW AND JURISDICTION

7.01. This Deed shall be governed by and construed in accordance with English Law.

7.02. The parties hereto irrevocably agree that the courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim that arises out of or in connection with this Deed or its subject matter or formation (including non-contractual disputes or claims). Each of the parties hereto irrevocably and unconditionally submits to the jurisdiction of such courts and irrevocably designates, appoints and empowers Mr. Emmanuel K. Stavrianakis (103, Totterbridge Lane, London N20 8DX, England) to receive for it and on its behalf, service of process issued out of the English courts in any such legal action or proceedings.

8. THIRD PARTY RIGHTS

A person who is not a party to this Deed has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce or to enjoy the benefit of any term of this Deed.

[signature page follows]

IN WITNESS whereof the parties hereto have caused this Deed to be duly executed as a deed the day and year first above written.

EXECUTED and DELIVERED as a DEED)
By Savvas Polydoru) /s/ Savvas Polydoru

for and on behalf of)
the Outgoing Lender)
FIRMEN TRADING LIMITED)
of Nicosia, Cyprus)
in the presence of)
Name Constantinos Argousis) /s/ Constantinos Argousis
Address Nicosia Cyprus)
Signature)

EXECUTED and DELIVERED as a DEED)
By Philippos Philippou) /s/ Philippos Philippou
for and on behalf of)
the New Lender)
FIRMEN TRADING LIMITED)
of Majuro, Marshall Islands)
in the presence of)
Name Yiangos Hadjiyangou) /s/ Yiangos Hadjiyangou
Address Nicosia Cyprus)
Signature)

EXECUTED and DELIVERED as a DEED)
By Loucas Hadjiyangou) /s/ Loucas Hadjiyangou
for and on behalf of)
the Borrower)
GLOBUS MARITIME LIMITED)
of Majuro, Marshall Islands)
in the presence of)
Name Andrea Georgiou) /s/ Andrea Georgiou
Address Nicosia Cyprus)
Signature)

SCHEDULE 1

Form of Effective Date Confirmation

To: **GLOBUS MARITIME LIMITED**
 (the “**Borrower**”)

c/o Globus Shipmanagement Corp.
128, Vouliagmenis Avenue, 3rd Floor
166 74 Glyfada
Athens, Greece
Fax no: +30 210 9608359

We, FIRMENT TRADING LIMITED of Nicosia, Cyprus (the “**Outgoing Lender**”) and FIRMENT TRADING LIMITED of Majuro, Marshall Islands (the “**New Lender**”), refer to the supplemental agreement of even date herewith (the “**Deed**”) and made among yourselves and ourselves by which, and subject to the terms and conditions therein contained, all the rights and obligations under the Principal Facility Agreement as defined therein, were assigned to the New Lender and all obligations have been assumed by the New Lender.

We hereby confirm that all conditions precedent referred to in Clause 3.01 of the Deed have been satisfied. In accordance with Clauses 1.02 and 2 of the Deed, the Effective Date is the date of this confirmation and the assignment is now effective.

Dated:

Signed: /s/ Savvas Polydorou
 For and on behalf of
 the Outgoing Lender
 FIRMENT TRADING LIMITED
 of Nicosia, Cyprus

Signed: /s/ Philippos Philippou
 For and on behalf of
 the New Lender
 FIRMENT TRADING LIMITED
 of Majuro, Marshall Islands

Dated: as of 12 January 2016

GLOBUS MARITIME LIMITED (1)

and

SILANER INVESTMENTS LIMITED (2)

AGREEMENT

**For a Revolving Credit Facility
of up to US Dollars \$3,000,000.00**

THIS AGREEMENT is dated as of **12 January 2016** and made in Cyprus

BETWEEN:

- (1) **GLOBUS MARITIME LIMITED**, a company duly incorporated in the Republic of the Marshall Islands and having its registered address at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH96960, Marshall Islands (“the **Borrower**”);
- (2) **SILANER INVESTMENTS LIMITED**, a company duly incorporated in Cyprus and having its registered office at 1 Kostaki Pandelidi Street, Kolokasides Building, 3rd floor, PC 1010, Nicosia, Cyprus (“the **Lender**”);

AND IT IS HEREBY AGREED as follows:

1. REVOLVING CREDIT FACILITY- PURPOSE

1.01 This agreement sets out the terms and conditions upon and subject to which the Lender shall make available to the Borrower a revolving credit facility of up to US Dollars Three million (US\$3,000,000.00) (“the **Facility**”) during a period starting on the date hereof and ending on 12 January 2018 to be used by the Borrower for general working capital purposes. The Lender shall not be obliged to monitor or verify how the proceeds of the Facility or part thereof have been used by the Borrower.

2. UTILISATION

2.01 (Utilisation of the Facility) The Facility shall be advanced by the Lender to the Borrower in advances (each advance of the Facility is hereinafter called: “the **Advance**” and the principal amount owing in respect of each Advance at any relevant time is hereinafter called: “the **Loan**” or, as the case may be “the **Loans**”) following receipt by the Lender of a written notice from the Borrower in form and substance satisfactory to the Lender (“the **Utilisation Request**”). Subject to the following conditions the Borrower may serve a Utilisation Request not later than three (3) banking days prior to the intended date on which the Borrower requests that the relevant Advance be made available (“the **Drawdown Date**”). A Utilisation Request must be signed by an authorised representative of the Borrower and once served, such Utilisation Request cannot be revoked without the prior written consent of the Lender.

2.02 (Conditions of Utilisation) The conditions referred to in clause 2.01 are that:

- (a) the amount of each Advance has to be a multiple of US\$100,000.00 and shall not exceed the amount of the Facility;
- (b) the aggregate amount of all the Loans shall not exceed the amount of the Facility;
- (c) The conditions set out in clause 7 (as applicable to the relevant Utilisation Request) have been complied with, by the Borrower.

3. INTEREST

3.01 (Interest Rate and Computation) The Borrower shall pay interest at a rate of five percent (5%) per annum on each Loan on the last day of each period of three months. The first interest payment date shall be the last day of a period of three (3) months after the Drawdown Date of the relevant Advance. The term “month” used in Clauses 3 and 5 means a period beginning in one calendar month and ending in the next calendar month on the day numerically corresponding to the day of the calendar month on which it started, provided that: (i) if there is no such numerically corresponding day, it shall end on the last Banking Day in such next calendar month and; (ii) if such numerically corresponding day is not a Banking Day, the period shall end on the next following Banking Day in the same calendar month, but if there is no such Banking Day it shall end on the preceding Banking Day; and “months” and “monthly” shall be construed accordingly. All interest and other payments periodic or payable by reference to a rate per annum under this agreement shall accrue from day to day and be calculated on the basis of actual number of days elapsed and a three hundred and sixty (360) day year.

3.02 (Default Interest) In case of failure of the Borrower to pay any sum due under this agreement, the Borrower shall pay default interest on such sum from the due date or, as the case may be the date of the demand up to the date of actual payment (as well after as before judgment) at the rate of two percent (2%) per annum above the interest rate provided for in Clause 3.01.

4. REPAYMENT- VOLUNTARY PREPAYMENT

4.01 (Repayment) The aggregate of all the Loans, interest accrued thereon, costs and all other sums owing and outstanding under this agreement shall be repaid in full in one lump sum not later than 12 January 2018 (“the **Final Maturity Date**”). On the Final Maturity Date, the Facility will be deemed automatically cancelled and revoked without any notice to the Borrower and no amount may be re-borrowed on or after the Final Maturity Date. On the Final Maturity Date any interest owing and unpaid, costs and any other amounts owing under this agreement shall be paid in full.

4.02 (Voluntary Prepayment) The Borrower shall have the right at any time, to prepay a Loan or part thereof together with all unpaid interest accrued thereon and all other sums of money whatsoever due and owing from the Borrower to the Lender under such Loan. In case the Borrower elects to prepay part of the Loan, such prepayment can only be made in multiples of US\$100,000.00. Unless a contrary indication appears in this agreement, any Loan or part thereof which is prepaid may be re-borrowed in accordance with the terms of this agreement.

5. PAYMENTS

5.01 (Payment) All moneys to be paid by the Borrower under this agreement shall be paid to the Lender in same day immediately available Dollar funds to an account of the Lender to be notified by it to the Borrower.

5.02 (Payments on Banking Days) All payments due shall be made on a day on which banks and financial markets are opened for business of the nature contemplated by this agreement in New York and at the place of payment specified by the parties (“**Banking Day**”). If the due date for payment falls on a day which is not a Banking Day, the payment or payments which is due shall be made on the first Banking Day thereafter, provided that this falls in the same calendar month. If it does not, payments shall fall due and be made on the last Banking Day before the said due date.

5.03 (No withholdings - Gross up) All payments to be made by the Borrower shall be made in full, without set-off or counterclaim whatsoever, and free and clear of, and without withholding or deduction for-, or on account of- taxes or withholdings and any restrictions or conditions resulting in any charge whatsoever imposed, either now or hereafter, by any legal or regulatory provisions at the place of payment or receipt of any amount payable under this agreement; and the Borrower shall pay to the Lender such additional amounts as may be necessary to ensure that the Lender will receive a net amount equal to the full amount which would have been received had payment not been made, subject to such deductions, charges or withholdings.

6. REPRESENTATIONS AND WARRANTIES

6.01 The Borrower makes the representations and warranties set out in this clause to the Lender on the date of this agreement:

- (a) The Borrower is a duly incorporated corporation validly existing under the law of its jurisdiction of incorporation;
- (b) The Borrower is listed on the NASDAQ stock exchange as a foreign private issuer;
- (c) The Borrower has the power and authority to execute, deliver and perform its obligations under this agreement and the transactions contemplated hereunder. No limit on its powers will be exceeded as a result of the borrowing contemplated by this agreement;
- (d) The Borrower's obligations under this agreement are legal, valid, binding and enforceable in accordance with its terms and do not contravene any other obligations of the Borrower.

7. CONDITIONS PRECEDENT

7.01 The obligation of the Lender to make the first Advance available to the Borrower shall be subject to the conditions that prior to and/or simultaneously with the delivery of the first Utilisation Request the Lender shall have received the following documents and evidence in form and substance satisfactory to the Lender:

- (i) A recent Certificate of Incumbency of the Borrower signed by the secretary or a director of the Borrower stating its officers and/or its directors;
- (ii) Minutes of Meetings of the directors of the Borrower at which there was approved the entry into, execution, delivery and performance of this agreement; and
- (iii) Evidence of the due authority of any person signing this agreement and any other documents executed or to be executed pursuant hereto or thereto, on behalf of the Borrower.

7.02 The obligation of the Lender to allow any further use of the Facility or part thereof shall be subject to the conditions that prior to and/or simultaneously with the delivery of the relevant Utilisation Request:

- (i) the representations and warranties set out in Clause 6 are true and correct on and as of each such time as if each was made with respect to the facts and circumstances existing at such time;
- (ii) any consent or permit as may be required has been obtained and remains valid; and
- (iii) no Event of Default shall have occurred and be continuing or would result from the drawdown of an Advance.

8. COVENANTS

The Borrower covenants with the Lender that, as of the date of this agreement until all its liabilities under this agreement have been discharged:

- (a) The Borrower, upon written request by the Lender, shall deliver to the Lender certified copies of all audited annual statements and all quarterly reports as soon as they are available, together with all other information that the Lender may reasonably require concerning the Borrower or its business.
- (b) The Borrower shall promptly, after becoming aware of them, notify the Lender of any litigation, arbitration or administrative proceedings or claim.
- (c) The Borrower shall promptly obtain all consents or authorisations necessary (and do all that is needed to maintain them in full force and effect) under any law or regulation to enable it to perform its obligations under this agreement.
- (d) The Borrower shall notify the Lender of any Event of Default (and the steps, if any, being taken to remedy it) promptly on becoming aware of its occurrence.
- (e) The Borrower shall carry on and conduct its business in a proper and efficient manner and will not make any substantial change to the general nature or scope of its business as carried on at the date of this agreement.
- (f) The Borrower shall continue to comply with all listing requirements with the NASDAQ Stock Exchange and applicable securities laws and regulations and make all required filings (including but not limited to filings pertaining to the consummation of this agreement).
- (g) The Borrower shall ensure that its obligations under this agreement shall at all times rank at least pari passu with all its other present and future unsecured and unsubordinated indebtedness with the exception of any obligations which are mandatorily preferred by law and not by contract.

9. EVENTS OF DEFAULT

9.01 (Events of Default) There shall be an Event of Default whenever any of the following events occurs:

- (a) Failure by the Borrower to pay any sum due from the Borrower under this agreement when due, or, in the case of any sum payable on demand, within three (3) Banking Days of such demand; or
- (b) The Borrower fails (other than by failing to pay) to comply with any provision of this agreement and (if the Lender considers, acting reasonably, that the default is capable of remedy) such default is not remedied within fourteen (14) Business Days of the Borrower becoming aware of the default; or
- (c) The equity interest held directly or indirectly by the current major shareholder of the Borrower and its affiliates in the share capital of the Borrower falls at any time and for any reason whatsoever below forty percent (40%) of the voting securities or economic interest in the Borrower; or
- (d) The Borrower is adjudicated or found bankrupt or insolvent or any order is made by any competent court or resolution passed by the Borrower or petition presented for the winding-up or dissolution of the Borrower or for the appointment of a liquidator, trustee, administrator or conservator of the whole or any part of the undertakings, assets, rights or revenues of the Borrower or the Borrower suspends or ceases or threatens to suspend or cease to carry on its business; or
- (e) Any provision of this agreement is or becomes, for any reason, invalid, unlawful, unenforceable, terminated, disputed or ceases to be effective or to have full force and effect; or
- (f) Any other event occurs or circumstance arises which, in the reasonable opinion of the Lender, is likely to affect materially and adversely either (i) the ability of the Borrower to perform all or any of its obligations under or otherwise to comply with the terms of this Agreement or (ii) the financial condition of the Borrower.

9.02 (Consequences of Default) Without prejudice to any other rights of the Lender under the applicable laws and regulations and/or this agreement the Lender may at any time after the occurrence of an Event of Default by written notice to the Borrower (i) revoke the Facility in whole (whereupon the Facility shall be reduced to zero), (ii) declare that all the Loans and all interest accrued thereon and all other sums payable under this agreement be due and payable, whereupon the same shall, immediately or in accordance with the terms of such notice, become due and payable without any further diligence, presentment, demand of payment, protest or notice which are expressly waived by the Borrower, and (iii) take any other action which as a result of the Event of Default or any notice served hereunder the Lender is entitled to take under this agreement or any applicable laws and regulations.

9.03 (Proof of Default) It is agreed that (i) the non-payment of any sum of money in time will be proven conclusively by mere passage of time and (ii) the occurrence of this (non-payment) and any other Event of Default shall be proven conclusively by a mere written statement of the Lender (save for manifest error).

10. INDEMNITIES – EXPENSES

10.01 The Borrower shall on demand indemnify the Lender, without prejudice to any of the other rights of the Lender against any loss or expense which the Lender shall certify as sustained or incurred as a consequence of: (i) any default in payment of any sum under this agreement when due, (ii) the occurrence of any Event of Default including, in any such case, but not limited to, any loss or expense sustained or incurred in maintaining or funding the Facility or a Loan or Loans in liquidating or re-employing deposits from third parties acquired to effect or maintain the Facility or a Loan or Loans or any part thereof.

10.02 The Borrower shall pay to the Lender on demand all expenses (including legal expenses and any expenses for filings required under the NASDAQ listing rules and/or applicable securities laws and regulations) incurred by the Lender in connection with the negotiation, preparation and execution of this agreement and of any amendment or extension of or the granting of any waiver or consent under this agreement. The Borrower shall also pay any and all stamp duties, registration and similar taxes or charges (including those payable by the Lender) imposed by governmental authorities in relation to this agreement, and shall indemnify the Lender against any and all liabilities with respect to, or resulting from delay or omission on the part of the Borrower to pay such stamp duties, taxes or charges.

11. MISCELLANEOUS

11.01 (Assignment by the Borrower) The Borrower may not assign any rights and/or obligations under this agreement without the prior written consent of the Lender.

11.02 (Assignment by the Lender) The Lender may at any time assign, transfer, or offer participations to any other person in whole or in part, or in any manner dispose all or any of its rights and/or obligations arising or accruing under this agreement. The Lender may disclose to a potential assignee, transferee or participant or to any other person who may propose entering into contractual relations with the Lender in relation to this agreement such information about the Borrower as the Lender shall consider appropriate.

11.03 (Set-off) The Lender may at any time set off any liability of the Lender to the Borrower against any liability of the Borrower to the Lender, whether either liability is present or future, liquidated or unliquidated, and whether or not either liability arises under this agreement or otherwise. If the liabilities to be set off are expressed in different currencies, the Lender may convert either liability at a market rate of exchange for the purpose of set-off. Any exercise by the Lender of its rights under this clause shall not limit or affect any other rights or remedies available to it under this agreement or otherwise.

11.04 (Evidence) Any document, certificate or instrument (whether in hard copy or electronic form) issued by the Lender stating the amount of the outstanding sums under this agreement that have become due and payable, shall constitute full and conclusive evidence binding on the Borrower as to any amount (in respect of principal, interest, expenses, fees and any other amount) owing and/or due at any relevant time by the Borrower to the Lender under this agreement, provided however that the Borrower shall be entitled to rebut the above evidence by any evidence admissible at law. Notwithstanding the above relating to the right of the Borrower to rebut, enforcement proceedings may be initiated on the basis of such document, certificate or instrument.

11.05 (Cumulative Remedies) The rights and remedies of the Lender contained in this agreement are cumulative and not exclusive of each other nor of any other rights or remedies conferred by law.

11.06 (Waivers) No delay or failure to exercise any right under this agreement shall operate as a waiver of that right and no single or partial exercise of any right under this agreement shall prevent any further exercise of that right (or any other right under this agreement).

11.07 (Severance) If any provision (or part of a provision) of this agreement is or becomes invalid, illegal or unenforceable, it shall be deemed modified to the minimum extent necessary to make it valid, legal and enforceable. If such modification is not possible, the relevant provision (or part of a provision) shall be deemed deleted. Any modification to or deletion of a provision (or part of a provision) under this clause shall not affect the legality, validity and enforceability of the rest of this agreement.

11.08 (Amendments) This agreement shall not be amended or varied in their respective terms by any oral agreement or representation or in any other manner other than by an instrument in writing of even date herewith or subsequent hereto executed by or on behalf of the parties hereto or thereto.

11.09 (Notices) Each notice or other communication required to be given under, or in connection with, this agreement shall be:

- (a) in writing, delivered personally or sent by courier or fax or shall be served through process server or via e-mail; and
- (b) sent:

- (i) to the Borrower at:
GLOBUS MARITIME LIMITED.
c/o Globus Shipmanagement Corp.
128 Vouliagmenis Avenue, 3rd Floor
166 74 Glyfada
Athens, Greece
Fax: +30 210 9608359
Email: corporatesecretary@globusmaritime.gr
Attention: **Corporate Secretary**

- (ii) to the Lender at:
SILANER INVESTMENTS LIMITED.
1, Kostaki Pantelides Street, 3rd Floor
1010 Nicosia, Cyprus
Fax: +357 22 27 10 04
Email: corporate@papaphilippou.eu
Attention: **Philippos Philippou**

or to any other addresses, fax numbers, or email addresses that are notified in writing by one party to the other from time to time.

Any notice or other communication given under this agreement shall be deemed to have been received: if sent by fax, upon receipt of a successful transmission report (or –if sent after business hours– the following business day), if sent via-email upon acknowledgment of receipt thereof and in all other cases when actually delivered or served.

11.10 (Process Agent in Greece) Ms Olga Lambrianidou (128 Vouliagmenis Avenue, 3rd Floor, 166 74 Glyfada, Greece) is hereby appointed by the Borrower as agent in Greece to accept service (hereinafter: “the **Greek Process Agent**”) upon whom any judicial process may be served and any notice, request, demand or other communication under this agreement. In the event that the Greek Process Agent (or any substitute process agent notified to the Lender in accordance with the foregoing) cannot be found at the address specified above (or, as the case may be, notified to the Lender), which will be conclusively proved by the affidavit of a process server to that effect, the authority of the Greek Process Agent as agent to accept service shall be deemed to have ceased and service of documents may be effected in accordance with the procedure provided by the relevant law. In case, however, that such Greek Process Agent is found at any other address, the Lender shall have the right to serve the documents either on the Greek Process Agent at such address or in accordance with the procedure provided by the relevant law.

11.11 (Third Party Rights) A person who is not a party to this agreement has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce or to enjoy the benefit of any term of this agreement.

11.12 (Counterparts) This agreement may be executed in any number of counterparts, each of which when executed shall constitute a duplicate original, but all the counterparts shall together constitute one agreement.

11.13 (Governing Law and Jurisdiction)

- (a) This agreement and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims) shall be governed by and construed in accordance with English law;
- (b) Each party irrevocably agrees that, subject as provided below, the courts of Piraeus - Greece shall have exclusive jurisdiction over any dispute or claim that arises out of or in connection with this agreement or its subject matter or formation (including non-contractual disputes or claims). Nothing in this clause shall limit the right of the Lender to take proceedings against the Borrower in any other court of competent jurisdiction, nor shall the taking of proceedings in any one or more jurisdictions preclude the taking of proceedings in any other jurisdictions, whether concurrently or not, to the extent permitted by the law of such other jurisdiction.

IN WITNESS whereof, the parties hereto have caused this agreement to be duly executed the day and year first above written.

SIGNED by
Loucas Hadjiyangou
for and on behalf of
GLOBUS MARITIME LIMITED
the Borrower

)
)
)
)
)

/s/Loucas Hadjiyangou

Attorney-in-Fact

SIGNED by
Philippos Philippou
for and on behalf of
SILANER INVESTMENTS LIMITED
the Lender

)
)
)
)
)

/s/ Philippos Philippou

Director

Dated: 21st March, 2016

COMMERZBANK AKTIENGESELLSCHAFT
(as legal successor of DEUTSCHE SCHIFFSBANK AKTIENGESELLSCHAFT)
(as Arranger, Agent and Security Agent)

-and-

KELTY MARINE LTD.
(as borrower)

-and-

GLOBUS MARITIME LIMITED
(as guarantor)

SETTLEMENT AGREEMENT

relating to a term loan facility of (originally)
US\$26,650,000

Theo V. Sioufas & Co.
Law Offices
Piraeus

CONTENTS

<u>Clause</u>	<u>Heading</u>	<u>Page</u>
1	DEFINITIONS AND INTERPRETATIONS	3
2	SETTLEMENT OF THE INDEBTEDNESS	4
3	SALE OF THE SHARES	5
4	REPRESENTATION AND WARRANTIES	5
5	NO WAIVER	6
6	CONDITIONS	6
7	MISCELLANEOUS	7
8	GOVERNING LAW AND JURISDICTION	8
9	ENFORCEMENT	8

Schedule 1 The Lender(s) and their Commitments

THIS AGREEMENT (“this Agreement”) is made this 21st day of March, 2016;

B E T W E E N

- (1) THE BANKS AND FINANCIAL INSTITUTIONS SET OUT IN SCHEDULE 1, as Lenders;
- (2) COMMERZBANK AKTIENGESELLSCHAFT (“CBA”) as legal successor by way of merger of DEUTSCHE SCHIFFSBANK AKTIENGESELLSCHAFT (“DSB”), as Arranger, Agent and Security Agent;
- (3) KELTY MARINE LTD., as Borrower; and
- (4) GLOBUS MARITIME LIMITED, as Guarantor;

WHEREAS:-

- (A) By a loan agreement dated 25th June, 2010 (the “Principal Agreement”) made by and among (1) KELTY MARINE LTD., of the Marshall Islands (therein and hereinafter referred to as the “Borrower”) as borrower, (2) DSB (whose legal successor by way of merger is CBA), as Arranger, Agent and Security Agent and (3) THE BANKS AND FINANCIAL INSTITUTIONS SET OUT IN SCHEDULE 1 to the Principal Agreement, as Lender(s) (therein and hereinafter together called the “Lender(s)”), as amended and/or supplemented by a First Supplemental Agreement dated 23rd January, 2015 and made between the Borrower, CBA and the Lender(s) (the “First Supplemental Agreement”) on the terms and conditions of which the Lender(s) agreed to advance and have advanced to the Borrower a secured floating interest rate term loan facility in the amount of up to United States Dollars Twenty six million six hundred fifty thousand (US\$26,650,000) (the “Loan”), for the purpose therein specified (the Principal Agreement as amended and/or supplemented by the First Supplemental Agreement and as the same may hereinafter be further amended and/or supplemented called the “Loan Agreement”).
- (B) The Borrower and the Guarantor hereby jointly and severally acknowledge and confirm that:
 - (a) the Lender(s) have advanced to the Borrower the full amount of the Commitment in the principal amount of Dollars Twenty six million six hundred fifty thousand (US\$26,650,000); and
 - (b) as the date hereof the principal amount of Dollars fifteen million six hundred fifty thousand (\$15,650,000) in respect of the Loan remains outstanding (the “Outstanding Loan”); and

- (c) as the date hereof the principal amount of Dollars 122,124.52 representing interest due on the Loan remains outstanding (the “**Outstanding Interest** ”);
- (C) As security for all the obligations of the Borrower under the Loan Agreement, the following documents have been executed by the Borrower and the other Security Parties in favour of the Lender(s):
 - (a) a First Preferred Marshall Islands Mortgage dated 23rd January 2015 (the “**Mortgage**”) executed by the Borrower over the m/v “ENERGY GLOBE”, built in 2010 in China currently registered in the ownership of the Borrower under the laws and flag of the Marshall Islands under IMO Number: 9431525 (the “**Ship**”);
 - (b) a First Priority General Assignment of the Earnings, Insurances and Requisition Compensation in respect of the Ship executed by the Borrower and dated 29th June 2010 (the “**General Assignment**”);
 - (c) a Corporate Guarantee executed by the Guarantor dated 29th June 2010 (the “**Corporate Guarantee**”);
 - (d) a Charterparty Assignment in respect of the Ship executed by the Borrower and dated 29th June 2010 (the “**Charterparty Assignment**”); andany other Security Documents to which each of the Borrower and the Guarantor are a party (together the “**Security Documents**”).
- (D) Prior to the date of this Agreement, certain events of non-compliance and Events of Default under the Loan Agreement and the Security Documents (the “**Events of Default**”) have occurred and are continuing, as the Borrower hereby acknowledges and confirms.
- (E) The Borrower hereby acknowledges and confirms that under the terms of the Loan Agreements and the Security Documents following the occurrence of the Events of Default the Lender(s) are entitled to demand payment of the Indebtedness (as hereinbelow defined) and proceed to the enforcement of the Mortgage and the other securities granted to the Lender(s).
- (F) The Parties are entering into this Agreement to record the terms and conditions upon and subject to which they hereby agree the settlement of the Indebtedness and the extinguishment of the Borrower’s and the Guarantor’s liabilities under the Loan Agreement and the Security Documents.

NOW IT IS HEREBY AGREED as follows:-

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

Words and expressions defined in a Loan Agreement shall unless the context otherwise requires have the same meanings when used in this Agreement. In addition to the words and expressions defined in the Recitals of this Agreement, the words and expressions specified below shall have the meanings attributed to them below:-

“**Buyer**” means the company appearing as the buyer of the Shares in the Shares Sale Agreement;

“**Effective Date**” means the date on which the Lender receives the Settlement Amount such date being not later than 30th June, 2016 or such other date as the Parties may agree;

“**Indebtedness**” means the aggregate of the Outstanding Loan and the Overdue Interest referred to in Recital (B) and all other monies due or to become due under the Loan Agreement and the Security Documents until the Effective Date;

“**Overdue Interest**” means the amount of Dollars Forty Thousand Seven Hundred Eight and Seventeen Cents (\$40,708.17) out of the Outstanding Interest referred in Recital (B) (c);

“**Purchase Price**” means the full net proceeds of the Shares, namely Dollars Six million eight hundred sixty thousand (\$6,860,000);

“**Shares**” means five hundred (500) registered without par value shares in the total and issued share capital of the Borrower, of which the legal and beneficial owner is the Guarantor;

“**Settlement Amount**” means the aggregate amount of the Overdue Interest and the Purchase Price;

“**Shares Sale Agreement**” means the agreement entered into or to be entered into between the Guarantor, as seller and the Buyer, as buyer of the Shares, and includes any and all addenda thereto.

1.2 Construction

The provisions of Clause 1.3 of the Loan Agreement apply to this Agreement as though set out in full, except that references to the Loan Agreement are to be construed as references to this Agreement.

2. SETTLEMENT OF THE INDEBTEDNESS

2.1 Settlement of the Indebtedness by the Borrower

- (a) As settlement of the Indebtedness by the Borrower and for the release of the Borrower and the extinguishment of its obligations and liabilities under the Loan Agreement and the Security Documents to which it is a party, each of the Borrower and the Guarantor jointly and severally agree, on the Effective Date, the latest, to pay to the Lender(s) the Settlement Amount.
- (b) In consideration of the Borrower’s and the Guarantor’s agreement to settle in accordance with Clause 2.1(a), and for other good and valuable consideration, the Lender(s) agree, subject to the terms and conditions of this Agreement, to:
 - (aa) release the Borrower from its liabilities in respect of the Indebtedness under the Loan Agreement and the Security Documents,
 - (bb) discharge the Mortgage registered on the Ship upon receipt in full of the Settlement Sum and re-assign to the Borrower all rights and interests of every kind which the Lender(s) has to, in or in connection with the Earnings, Insurances and Requisition Compensation (as such terms are defined in the General Assignment) with respect to the Ship and deliver to the Borrower executed notices of reassignment of Insurances and Earnings, and
 - (cc) To this effect the Lender(s):
 - (i) on the date the Overdue Interest has been received in full by the Lender(s), the Lender(s) shall deliver to the Borrower an undertaking by which the Lender(s) shall undertake promptly following receipt by the Lender(s) of the Purchase Price to discharge the Mortgage and to sign the Deed of Release of the Borrower as described in sub para (ii) below; and
 - (ii) on the Effective Date the Lender(s) shall sign a Deed of Release of the Borrower, whereby it shall release the Borrower of its obligations under the Loan Agreement and the Security Documents.

2.2 Settlement of the Indebtedness by the Guarantor

As settlement of the Indebtedness by the Guarantor and for the release of the Guarantor and the extinguishment of its obligations and liabilities under the Guarantee, the Guarantor agrees with the Lender(s) as follows:

- (a) the Guarantor shall ensure that the Settlement Amount be paid in full to the Lender(s) in accordance with the terms of this Agreement;
- (b) the Guarantor shall deliver to the Lender(s) copies of its Financial Results in respect of the six-month period ending on June 30, 2016 (the “**Financial Results**”);
- (c) the Guarantor shall ensure that in case the total amount of cash and bank balances and bank deposits as declared in the Financial Results exceeds the total amount of \$10,000,000, the Guarantor shall pay to the Lender(s) the amount in excess of such total amount of \$10,000,000 (hereinafter the “**Excess**”) and the Lender(s) shall apply (and the Guarantor and the Borrower hereby jointly and severally instruct the Lender(s) so to apply) the Excess towards repayment of the then outstanding balance of the Indebtedness; and
- (d) if as of that date (ie June 30, 2016) there is no Excess, the Lender(s) shall release the Guarantor from its liabilities under the Guarantee and to this effect the Lender(s) shall sign a Deed of Release of the Guarantor.

3. **SALE OF THE SHARES**

3.1 Sale and Purchase Agreement

- (a) The Guarantor and the Buyer will no later than the Effective Date, conclude the sale and purchase of all the Shares.
- (b) The Borrower undertakes to cooperate with the Guarantor and the Buyer (to the extent applicable) to effect and complete a transfer of the title in the Shares and deliver the Shares to the Buyer no later than the Effective Date.

4. **REPRESENTATIONS AND WARRANTIES**

The Borrower represents and warrants that:-

4.1 Binding Obligations

Each of the Borrower and the Guarantor acknowledges that, as of the date of this Agreement, the Loan Agreement and the Security Documents to which each is a party and any other related documents in connection with the Loan Agreement are and remain valid, binding and enforceable and are not subject to any defences or counterclaims under law or equity.

4.2 Corporate Power

Each of the Borrower and the Guarantor that all necessary and appropriate corporate action to authorise the entering into of this Agreement have been obtained and that this Agreement constitutes valid and binding obligations of the Borrower and the Guarantor enforceable in accordance with its terms.

5. **NO WAIVER**

5.1 This Agreement does not constitute a waiver by the Lender(s) of any of its rights under the Loan Agreement and the Security Documents prior to the Effective Date. Until the conditions set out in Clause 2 are fulfilled, none of the Borrower and the other Security Parties shall be able to rely upon any of the provisions of this Agreement, the terms of which shall be in all respects without prejudice to the rights of the Lender(s) under the Loan Agreement and the Security Documents.

6. **CONDITIONS**

6.1 Corporate Authorities.

Prior or on the date of the signing of this Agreement:

- (a) a certificate of good standing or equivalent document issued by the competent authorities of the place of its incorporation in respect of the Borrower and the Guarantor;
- (b) a recent certificate of incumbency of the Borrower and the Guarantor signed by the secretary or a director thereof;
- (c) the Borrower and the Guarantor shall deliver to the Lender(s) a certified copy (certified by its Secretary/Director) of the resolutions of its board of directors approving and ratifying the terms of, and the transactions contemplated by, this Agreement and resolving the execution of this Agreement;
- (d) the original of any power of attorney issued in favour of any person executing this Agreement on behalf of the Borrower and the Guarantor; and
- (e) the Borrower shall deliver to the Lender(s) a certified copy (certified by its Secretary/Director) of the resolutions of its shareholder approving and ratifying the terms of, and the transactions contemplated by, this Agreement and resolving the execution of this Agreement.

7. MISCELLANEOUS

7.1 Counterparts

This Agreement may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of this Agreement.

7.2 Time of essence

Time shall be of the essence in the performance of the obligations of the Borrower and the Guarantor under this Agreement.

7.3 Invalidity

Any provision of this Agreement prohibited by or unlawful or unenforceable under any applicable law actually applied by any court of competent jurisdiction shall, to the extent required by such law, be severed from this Agreement and rendered ineffective so far as is possible without modifying the remaining provisions of this Agreement. Where however the provisions of any such applicable law may be waived, they are hereby waived by the Parties to the full extent permitted by such law to the end that this Agreement shall be a valid and binding agreement enforceable in accordance with its terms.

7.4 Amendments

Any amendment to this Agreement shall be in writing and signed by, or on behalf of, each Party.

7.5 Rights cumulative

Rights and remedies under this Agreement are cumulative and do not exclude any other rights or remedies provided by law or otherwise.

7.6 No assignment

None of the Borrower and the Guarantor may assign any of its rights under this Agreement or any document referred to in it without the prior written consent of the Lender(s).

7.7 Expenses

The Borrower and the Corporate Guarantor hereby agree to pay upon demand on a full indemnity basis and from time to time all costs, charges and expenses (including legal fees) incurred by the Lender(s) in connection with the negotiation, preparation, execution and enforcement or attempted enforcement of this Agreement.

7.8 Third party rights

A person who is not a party to this Agreement, or who is not expressed to be a beneficiary of the terms of this Agreement, has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce or to enjoy the benefit of any term of this Agreement.

7.9 Confidentiality

This Agreement or any of its contents shall remain strictly private and confidential and shall not be communicated by any means to any third parties other than the lawyers of the parties or as may be required by the Guarantor’s US reporting requirements and by the NASDAQ Stock Exchange regulations. Such duty of confidentiality shall be binding on the parties hereto and such lawyers as well and shall survive the Effective Date.

8. **GOVERNING LAW AND JURISDICTION**

This Agreement and all non-contractual obligations arising from or in connection with this Agreement are governed by English law.

9. **ENFORCEMENT**

9.1 Incorporation of the Loan Agreement provisions

In respect of the Borrower and the Guarantor, the provisions as to jurisdiction and service of process specified in Clause 12 of the Loan Agreement and Clause 10 of the Guarantee apply to this Agreement.

IN WITNESS HEREOF the parties have caused this Agreement to be duly executed as a deed on the date first written above.

EXECUTION PAGE

THE BORROWER

SIGNED by)	
Mr. Athanasios Feidakis)	
for and on behalf of the Borrower)	
KELTY MARINE LTD.,)	/s/ Athanasios Feidakis
of the Marshall Islands, in the presence of:)	Attorney-in-fact

Witness: /s/ Natalia Tziara
Name: Natalia Tziara
Address: 13 Defteras Merarchias
Piraeus, Greece
Occupation: Attorney-at-Law

THE GUARANTOR

SIGNED by)	
Mr. Georgios Feidakis)	
for and on behalf of the Guarantor)	
GLOBUS MARITIME LIMITED .,)	/s/ Georgios Feidakis
of the Marshall Islands, in the presence of:)	Attorney-in-fact

Witness: /s/ Natalia Tziara
Name: Natalia Tziara
Address: 13 Defteras Merarchias
Piraeus, Greece
Occupation: Attorney-at-Law

THE CREDITORS

SIGNED by)
Mrs. Angeliki Arkadi)
for and on behalf of)
COMMERZBANK AKTIENGESELLSCHAFT)
as Lender(s), Arranger, Agent and) /s/ Angeliki Arkadi
Security Agent in the presence of:) Attorney-in-fact

Witness: /s/ Christos Magklaras
Name: Christos Magklaras
Address: 13 Defteras Merarchias
Piraeus, Greece
Occupation: Solicitor & Attorney-at-Law

Schedule 1

The Lender(s) and their Commitments

Name	Lending Office	Commitment
COMMERZBANK AKTIENGESELLSCHAFT	Domstraße 18, 20095 Hamburg, Germany Fax No. : +49 40 3683 6468 e-mail: Christiane.Lippert@commerzbank.com	\$26,650,000

Dated 18 April 2016

FOURTH SUPPLEMENTAL AGREEMENT
relating to a
loan of (originally) US\$40,000,000

to
ARTFUL SHIPHOLDING S.A.
and
LONGEVITY MARITIME LIMITED

provided by
DVB BANK SE

 **NORTON ROSE FULBRIGHT**

Contents	
Clause	Page
1 Definitions	2
2 Agreement of the Bank	4
3 Amendments to the Existing Documents	4
4 Representations and warranties	12
5 Conditions	13
6 Relevant Parties' Confirmation	14
7 Expenses	14
8 Miscellaneous and notices	14
9 Applicable law	16
Schedule 1 Documents and evidence required as conditions precedent	17

THIS FOURTH SUPPLEMENTAL AGREEMENT is dated on 18 April 2016 and made **BETWEEN**:

- (1) **ARTFUL SHIPHOLDINGS S.A.**, a corporation incorporated in the Republic of the Marshall Islands with its registered office at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Republic of the Marshall Islands MH96960 (the “**Artful Borrower**”);
- (2) **LONGEVITY MARITIME LIMITED**, a company incorporated in the Republic of Malta with its registered office at 18/2 South Street, Valetta, VLT 1102, Republic of Malta (the “**Longevity Borrower**”; and together with the Artful Borrower, the “**Borrowers**”);
- (3) **GLOBUS MARITIME LIMITED**, a corporation incorporated in the Republic of the Marshall Islands, with its registered office at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Republic of the Marshall Islands MH96960 (the “**Corporate Guarantor**”);
- (4) **GLOBUS SHIPMANAGEMENT CORP.**, a corporation incorporated in the Republic of the Marshall Islands, with its registered office at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Republic of the Marshall Islands MH96960 (the “**Manager**”); and
- (5) **DVB BANK SE**, a banking corporation incorporated and established under the laws of the Federal Republic of Germany, acting for the purposes of this Agreement through its office at Platz der Republik 6, D-60325 Frankfurt am Main, Federal Republic of Germany (the “**Bank**”).

WHEREAS:

- (A) this Agreement reflects the terms of an agreement reached in principle between the Bank and the Borrowers during March 2016;
- (B) this Agreement is supplemental to:
 - (a) a facility agreement dated 20 June 2011 (the “**Original Agreement**”) made between (1) the Borrowers as joint and several borrowers and (2) the Bank as lender, as amended and supplemented by a supplemental letter dated 16 November 2011 (the “**Supplemental Letter**”), a supplemental agreement dated 1 March 2012 (the “**First Supplemental Agreement**”), a supplemental agreement dated 10 April 2013 (the “**Second Supplemental Agreement**”) and a supplemental agreement dated 20 February 2015 (the “**Third Supplemental Agreement**”; and together with the Original Agreement, the Supplemental Letter, the First Supplemental Agreement and the Second Supplemental Agreement, the “**Principal Agreement**”) whereby the Bank agreed (inter alia) to make available to the Borrowers, upon the terms and conditions therein contained, a loan of up to \$40,000,000 of which the principal amount outstanding at the date hereof is \$21,003,750; and
 - (b) a corporate guarantee dated 20 June 2011 executed by the Corporate Guarantor in favour of the Bank as amended and supplemented by the First Supplemental Agreement, the Second Supplemental Agreement and the Third Supplemental Agreement (together the “**Principal Corporate Guarantee**”); and
- (C) this Agreement sets out the terms and conditions upon which the Bank shall, at the request of the Borrowers and the Corporate Guarantor, provide its consent to:
 - (a) the waiver of the application of clause 5.3 of the Principal Corporate Guarantee during the Third Revision Period (as such term is defined below);
 - (b) the revision of the loan repayment provisions;
 - (c) the reduction of the Security Requirement during the Third Revision Period;
 - (d) the waiver of the minimum liquidity requirement contained in clause 8.1.16 of the Principal Agreement; and
 - (e) certain consequential amendments to the terms and conditions applicable to the Principal Agreement and/or the Principal Corporate Guarantee.

NOW IT IS HEREBY AGREED as follows:

1 Definitions

1.1 Defined expressions

Words and expressions defined in the Principal Agreement or the Principal Corporate Guarantee shall unless the context otherwise requires or unless otherwise defined herein, have the same meanings when used in this Agreement.

1.2 Definitions

In this Agreement, unless the context otherwise requires:

“**Artful Mortgage Amendment**” means a third amendment to the Artful Mortgage executed or (as the context may require) to be executed between the Artful Borrower and the Bank under the Fourth Supplemental Agreement in such form as the Bank may require;

“**Artful Operating Account**” means a Dollar account opened or (as the context may require) to be opened by the Artful Borrower with the Bank with account number 2910058107;

“**Artful Operating Account Pledge**” means the first priority account pledge executed or (as the context may require) to be executed by the Artful Borrower in favour of the Bank in respect of the Artful Operating Account in such form as the Bank may require in its sole discretion;

“**Corporate Guarantee**” means the Principal Corporate Guarantee as amended and supplemented by this Agreement;

“**Effective Date**” means the date, no later than 30 April 2016, on which the Bank has received the documents and evidence specified in clause 5 and Schedule 1 in a form and substance satisfactory to it;

“**Existing Documents**” means, together, the Principal Agreement and the Principal Corporate Guarantee and “**Existing Document**” means either of them;

“**Government Entity**” means and includes (whether having a distinct legal personality or not) any national or local government authority, board, commission, department, division, organ, instrumentality, court or agency and any association, organisation or institution of which any of the foregoing is a member or to whose jurisdiction any of the foregoing is subject or in whose activities any of the foregoing is a participant;

“**Indebtedness**” means any obligation for the payment or repayment of money, whether as principal or as surety and whether present or future, actual or contingent;

“**Loan**” shall have the meanings ascribed in the Principal Agreement;

“**Loan Agreement**” means the Principal Agreement as amended and supplemented by this Agreement;

“**Longevity Operating Account**” means a Dollar account opened or (as the context may require) to be opened by the Longevity Borrower with the Bank with account number 2910058093;

“**Longevity Operating Account Pledge**” means the first priority account pledge executed or (as the context may require) to be executed by the Longevity Borrower in favour of the Bank in respect of the Longevity Operating Account in such form as the Bank may require in its sole discretion;

“**Operating Accounts**” means together the Artful Operating Account and the Longevity Operating Account and “**Operating Account**” means either of them;

“**Operating Account Pledges**” means together the Artful Operating Account Pledge and the Longevity Operating Account Pledge and “**Operating Account Pledge**” means either of them;

“**Relevant Documents**” means this Agreement, the Artful Mortgage Amendment, the Operating Account Pledges and any other document executed by a Relevant Party in connection with this Agreement;

“**Relevant Parties**” means, together, the Borrowers, the Manager and the Corporate Guarantor and “**Relevant Party**” means each one of them; and

“**Revision Period**” means the period commencing on 1 March 2016 and ending on 31 March 2017 (both dates inclusive).

1.3 Existing Documents

References in:

1.3.1 the Principal Agreement to “this Agreement”; and

1.3.2 the Principal Corporate Guarantee to “this Guarantee”,

shall, with effect from the Effective Date and unless the context otherwise requires, be references to the Principal Agreement and the Principal Corporate Guarantee, respectively, as amended by this Agreement and words such as “herein”, “hereof”, “hereunder”, “hereafter”, “hereby” and “hereto”, where they appear in the Principal Agreement and/or the Principal Corporate Guarantee shall be construed accordingly.

1.4 Headings

Clause headings and the table of contents are inserted for convenience of reference only and shall be ignored in the interpretation of this Agreement.

1.5 Construction of certain terms

In this Agreement, unless the context otherwise requires:

1.5.1 references to clauses and schedules are to be construed as references to clauses of, and schedules to, this Agreement and references to this Agreement includes its schedules;

1.5.2 references to (or to any specified provision of) this Agreement or any other document shall be construed as references to this Agreement, that provision or that document as in force for the time being and as amended in accordance with terms thereof, or, as the case may be, with the agreement of the relevant parties;

1.5.3 references to a “**regulation**” include any present or future regulation, rule, directive, requirement, request or guideline (whether or not having the force of law) of any agency, authority, central bank or government department or any self-regulatory or other national or supra-national authority;

1.5.4 words importing the plural shall include the singular and vice versa;

1.5.5 references to a time of day are to London time;

- 1.5.6 references to a person shall be construed as references to an individual, firm, company, corporation, unincorporated body of persons or any Government Entity;
- 1.5.7 references to a “**guarantee**” include references to an indemnity or other assurance against financial loss including, without limitation, an obligation to purchase assets or services as a consequence of a default by any other person to pay any Indebtedness and “**guaranteed**” shall be construed accordingly; and
- 1.5.8 references to any enactment shall be deemed to include references to such enactment as re-enacted, amended or extended.

2 Agreement of the Bank

2.1 Agreement of the Bank subject to Effective Date

The Bank, relying upon the representations and warranties on the part of the Relevant Parties contained in clause 4 and subject to the terms and conditions of this Agreement and in particular, but without prejudice to the generality of the foregoing, fulfilment on or before 30 April 2016 of the conditions contained in clause 5 and Schedule 1, agrees to:

- 2.1.1 waive the application of clause 5.3 of the Principal Corporate Guarantee and the requirement to complete paragraph 1 of any Compliance Certificate delivered to the Bank under clause 8.1.8 of the Principal Agreement and/or clause 5.1.5 of the Principal Corporate Guarantee, in each case, at all times during the Third Revision Period other than when (i) an Event of Default has occurred and is continuing or (ii) a judgment, order or any other legal proceeding has been taken against the Corporate Guarantor or any member of the Group for an amount exceeding \$500,000; and
- 2.1.2 the amendments to the Existing Documents on the terms set out in clause 3.

2.2 Immediate agreement of Bank

The Bank, relying upon the representations and warranties on the part of the Relevant Parties contained in clause 4 and subject to the terms and conditions of this Agreement agrees as of the date of this Agreement to:

- 2.2.1 the withdrawal of \$500,000 in total standing to the credit of the Artful Minimum Liquidity Account and its immediate application in prepayment of the March 2016 and June 2016 repayment instalments in respect of the Artful Advance; and
- 2.2.2 the withdrawal of \$500,000 in total standing to the credit of the Longevity Minimum Liquidity Account and its immediate application in prepayment of the March 2016 and June 2016 repayment instalments in respect of the Longevity Advance.

3 Amendments to the Existing Documents

3.1 Amendments to the Principal Agreement

The Principal Agreement shall, with effect on and from the Effective Date, be (and is hereby) amended in accordance with the following provisions (and the Principal Agreement (as so amended) will continue to be binding upon each of the parties hereto upon such terms as so amended):

- 3.1.1 by deleting in clause 1.2 of the Principal Agreement, the definition of “**Account Bank**”;

3.1.2 by deleting in clause 1.2 of the Principal Agreement the definitions of “**Agreed Expenses**”, “**Artful Mortgage**”, “**Artful Operating Account**”, “**Cut Off Repayment Date**”, “**Longevity Operating Account**”, “**Repayment Dates**”, “**Restart Repayment Date**” “**Security Requirement**” and “**Second Revision Period**” and by inserting in their respective places the following new definitions of “**Agreed Expenses**”, “**Artful Mortgage**”, “**Artful Operating Account**”, “**Cut Off Repayment Date**”, “**Longevity Operating Account**”, “**Repayment Dates**”, “**Restart Repayment Date**” “**Security Requirement**” and “**Second Revision Period**”:

“**Agreed Expenses**” means, in relation to a Calculation Period and a Borrower and its Ship, the lesser of (i) the total voyage and operating expenses and costs (including, without limitation, maintenance cost, crew wages, insurance cost and management fees), administrative costs and dry-docking costs and the total cost of any intermediate or special survey, all incurred and paid by that Borrower for that Ship during such Calculation Period, all as shown in the then latest financial statements of that Borrower for such Calculation Period and (ii) and amount in Dollars equal to the aggregate of \$6,500 per day for each full day which that Ship is in full operation (as opposed to being in lay-up of any kind) during such Calculation Period;

“**Artful Mortgage**” means the first preferred Marshall Islands mortgage of the Artful Ship dated 22 June 2011 executed by the Artful Borrower in favour of the Bank, as amended by the Artful Mortgage Amendment, the Second Artful Mortgage Amendment and the Third Artful Mortgage Amendment;

“**Artful Operating Account**” means a Dollar account to be opened by the Artful Borrower with the Bank and includes any sub-accounts thereof and any other account designated in writing by the Bank to be the Artful Operating Account for the purposes of this Agreement;

“**Cut Off Repayment Date**” means (subject to clause 6.3):

- (a) in respect of the Artful Advance, 22 June 2016; and
- (b) in respect of the Longevity Advance, 14 June 2016;

“**Longevity Operating Account**” means a Dollar account to be opened by the Longevity Borrower with the Bank and includes any sub-accounts thereof and any other account designated in writing by the Bank to be the Longevity Operating Account for the purposes of this Agreement;

“**Repayment Dates**” means, together, in relation to each Advance (subject to clause 6.3):

- (a) the First Repayment Date in respect of such Advance;
- (b) each of the dates falling at three (3) monthly intervals after such First Repayment Date up to Cut Off Repayment Date in respect of such Advance;
- (c) the Restart Repayment Date in respect of such Advance;
- (d) each of the dates falling at three (3) monthly intervals after such Restart Repayment Date;
- (e) the Final Maturity Date in respect of such Advance,

and “**Repayment Date**” means each one of them;

“**Restart Repayment Date**” means (subject to clause 6.3):

- (a) in respect of the Artful Advance, 22 March 2017; and
- (b) in respect of the Longevity Advance, 14 March 2017;

“**Second Revision Period**” means the period commencing on 31 December 2014 and ending on 29 February 2016 (both dates inclusive);

“**Security Requirement**” means the amount in Dollars (as certified by the Bank whose certificate shall, in the absence of manifest error, be conclusive and binding on the Borrowers) which is at any relevant time:

- (a) during the period commencing on the day of this Agreement and ending on 30 December 2012, one hundred and twenty per cent (120%) of the Loan minus any amount standing to the credit of the Minimum Liquidity Accounts up to \$1,000,000 in aggregate at that time;
- (b) during the Revision Period, one hundred and seven per cent (107%) of the Loan minus any amount standing to the credit of the Operating Accounts or, as the case may be, Minimum Liquidity Accounts up to \$1,000,000 in aggregate at that time;
- (c) during the Second Revision Period, one hundred and ten per cent (110%) of the Loan minus any amount standing to the credit of the Minimum Liquidity Accounts up to \$1,000,000 in aggregate at that time;
- (d) during the Third Revision Period, fifty per cent (50%) of the Loan; and
- (e) at all other times during the Security Period (other than the periods set out in paragraphs (a), (b), (c) and (d) above), one hundred and thirty per cent (130%) of the Loan minus any amount standing to the credit of the Minimum Liquidity Accounts up to \$1,000,000 in aggregate at that time;”;

3.1.3 by inserting in the third line in the definition of “**Security Documents**” in clause 1.2 of the Principal Agreement the words “, the Second Supplemental Agreement, the Third Supplemental Agreement, the Fourth Supplemental Agreement” after the words ”the Supplemental Agreement”;

3.1.4 by inserting in clause 1.2 of the Principal Agreement in the correct alphabetical order the following new definitions of “**Bail-in Action**”, “**Bail-In Legislation**”, “**Deferred Amount**”, “**EEA Member Country**”, “**EU Bail-In Legislation Schedule**”, “**Fourth Supplemental Agreement**”, “**Resolution Authority**”, “**Third Artful Mortgage Amendment**”, “**Third Revision Period**” and “**Write-down and Conversion Powers**”:

“**Bail-In Action**” means the exercise of any Write-down and Conversion Powers;

“**Bail-In Legislation**” means:

- (a) in relation to an EEA Member Country which has implemented, or which at any time implements, Article 55 of Directive 2014/59/EU establishing a framework for the recovery and resolution of credit institutions and investment firms, the relevant implementing law or regulation as described in the EU Bail-In Legislation Schedule from time to time; and
- (b) in relation to any other state, any analogous law or regulation from time to time which requires contractual recognition of any Write-down and Conversion Powers contained in that law or regulation;

“**Deferred Amount**” means:

- (a) in relation to the Artful Advance, \$880,000;
- (b) in relation to the Longevity Advance, \$832,500,

in either case, as reduced from time to time by prepayments made by or on behalf of the Borrowers under this Agreement;

“**EEA Member Country**” means any member state of the European Union, Iceland, Liechtenstein and Norway;

“**EU Bail-In Legislation Schedule**” means the document described as such and published by the Loan Market Association (or any successor person) from time to time;

“**Fourth Supplemental Agreement**” means the supplemental agreement dated 18 April 2016 made between the Borrowers, the Manager, the Corporate Guarantor and the Bank supplemental to this Agreement;

“**Resolution Authority**” means any body which has authority to exercise any Write-down and Conversion Powers;

“**Third Artful Mortgage Amendment**” means a third amendment to the Artful Mortgage executed or (as the context may require) to be executed between the Artful Borrower and the Bank under the Fourth Supplemental Agreement in such form as the Bank may require;

“**Third Revision Period**” means the period commencing on 1 March 2016 and ending on 31 March 2017 (both dates inclusive);

“**Write-down and Conversion Powers**” means:

- (a) in relation to any Bail-In Legislation described in the EU Bail-In Legislation Schedule from time to time, the powers described as such in relation to that Bail-In Legislation in the EU Bail-In Legislation Schedule; and
- (b) in relation to any other applicable Bail-In Legislation:
 - (i) any powers under that Bail-In Legislation to cancel, transfer or dilute shares issued by a person that is a bank or investment firm or other financial institution or affiliate of a bank, investment firm or other financial institution, to cancel, reduce, modify or change the form of a liability of such a person or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that person or any other person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability or any of the powers under that Bail-In Legislation that are related to or ancillary to any of those powers; and
 - (ii) any similar or analogous powers under that Bail-In Legislation;

3.1.5 by deleting clauses 4.1.1 and 4.1.2 of the Principal Agreement in their entirety and by replacing them with the following new clauses 4.1.1 and 4.1.2:

- “4.1.1 The Borrowers shall repay the Artful Advance by twenty eight (28) repayment instalments, one such instalment to be repaid on each of the Repayment Dates relevant to such Advance. Subject to the provisions of this Agreement, the amount of each repayment instalment (other than the last instalment) shall be \$440,000, and the amount of the last repayment instalment shall be \$6,620,000 (comprising a repayment instalment of \$440,000 and a balloon payment of \$6,180,000).
- 4.1.2 The Borrowers shall repay the Longevity Advance by twenty eight (28) repayment instalments, one such instalment to be repaid on each of the Repayment Dates relevant to such Advance. Subject to the provisions of this Agreement, the amount of each repayment instalment (other than the last instalment) shall be \$416,250 and the amount of the last repayment instalment shall be \$6,261,250 (comprising a repayment instalment of \$416,250 and a balloon payment of \$5,845,000).”;

3.1.6 by deleting in clause 4.5.4 of the Principal Agreement, the words “or clause 8.4” and by inserting it their place the words “or clause 8.4.3(c));

3.1.7 by deleting clause 7.1.7 of the Principal Agreement and by inserting in its place the following new clause 7.1.7:

“7.1.7 Choice of law

the choice of (i) English law to govern the Underlying Documents and the Security Documents (other than the Mortgages and the Account Pledges), (ii) the law of the relevant Flag State to govern each Mortgage and (iii) German law to govern the Account Pledges, and the submissions by the Security Parties to the non-exclusive jurisdiction of the English courts, are valid and binding;”;

3.1.8 by deleting clause 8.1.16 of the Principal Agreement and by inserting in its place the following new clause 8.1.16:

“maintain at all times:

(a) from the date of this Agreement and until the Effective Date (as such term is defined in the Supplemental Agreement), in its Operating Account a cash balance of at least \$500,000;

(b) after the Effective Date (as such term is defined in the Supplemental Agreement) and until one day prior to the Second Effective Date, in its Minimum Liquidity Account, a cash balance of at least \$500,000;

(c) from the Effective Date (as such term is defined in the Fourth Supplemental Agreement) onwards, in its Minimum Liquidity Account, a cash balance equal to the amount deposited from time to time in such Account pursuant to the provisions of clauses 8.4.3 or 8.4.5, but not exceeding \$500,000 in aggregate at any time”;

3.1.9 by deleting in the last line of clause 8.1.16 of the Principal Agreement the word “and”, by amending in clause 8.1.17 the end “.” with “;” and by inserting thereafter the following new clauses 8.1.18, 8.1.19 and 8.1.20:

“8.1.18 Lay-up

not lay up its Ship except with the written consent of the Bank (such consent not to be unreasonably withheld) and provided always that:

(a) the cash balance in the Minimum Liquidity Account of that Borrower (excluding any amount retained therein pursuant to clause 8.1.16) at the time such consent is given, is equal to the sum of (i) the aggregate amount of the interest payable on the relevant Advance for the following twelve (12) months, plus (ii) the amount which the Bank agrees before such lay-up commences that is the anticipated aggregate cost of such lay-up and the cost of re-activating such Ship at the end of such lay-up, plus (iii) the amount which the Bank agrees before such lay-up commences that is the anticipated aggregate cost of dry-docking in relation to such lay-up;

(b) that Ship is laid-up for not more than twelve (12) months; and

(c) that Ship is laid-up within the inner limits of a port lying in a jurisdiction acceptable to the Bank;

8.1.19 Most favoured nation

without prejudice to clause 8, in the event that and each time that the Guarantor or any other member of the Group agrees to, or grants, or agrees to grant, any financial covenants to, for the benefit of, or in favour of, any lender or creditor of any indebtedness incurred by the relevant member of the Group after the Effective Date (as such term is defined in the Fourth Supplemental Agreement), which are in any respect more favourable to such lender or creditor than the provisions of clause 8 are in favour of the Bank, the Borrowers and the Guarantor undertake and agree with the Bank:

- (a) to notify the Bank within 5 days after the relevant agreement to, or the granting of or any agreement to grant (as the case may be), such more favourable rights;
- (b) within 30 days after the date when such more favourable rights have been agreed or granted, to agree to, provide and grant, such more favourable rights also in favour of the Bank under or in connection with this Agreement, by entering into (and/or by procuring that any Security Party or any other person entering into) such documentation as the Bank shall reasonably require, immediately after the Bank’s request to the Borrowers; and
- (c) that any such more favourable rights shall in any event apply to this Agreement and the other Security Documents automatically from the time they are granted to the other lenders or creditors, and irrespective of whether the Borrowers and the other Security Parties have complied with their other obligations under this clause 8.1.19, except if the Bank at any time advises the Borrowers that such or certain of such more favourable rights will not so apply and always without prejudice to the terms and conditions of this Agreement and the other Security Documents; and

8.1.20 Investments

procure that that no other member of the Group shall acquire any ship if (i) there is less than \$500,000 standing to the credit of each Minimum Liquidity Account and (ii) the amount of the balloon payment in respect of the Artful Advance is more than \$5,300,000 and the amount of the balloon payment in respect of the Longevity Advance is more than \$5,012,000 unless the Borrowers prepay either Advance in an amount equal to \$856,250 prior to each acquisition of a ship or the Bank decides to finance such acquisition of a ship.”;

3.1.10 by deleting in its entirety existing clause 8.3.12 of the Principal Agreement and by replacing it with the following new clause 8.3.12:

“8.3.12 Share capital and distribution

purchase or otherwise acquire for value any of its shares or declare or pay any dividends or distribute any of their present or future assets, undertakings, rights or revenues to any of their respective shareholders **Provided however that** each Borrower shall be entitled to declare or pay cash dividends to its shareholders if (i) no Event of Default has occurred and is continuing at the time of declaration or payment of such dividends, nor would result from the declaration or payment of such dividends and/or (ii) there is no less than \$500,000 standing to the credit of each Minimum Liquidity Account and (iii) the amount of each balloon payment is not more than \$5,300,000 in respect of the Artful Advance and not more than \$5,012,000 in respect of the Longevity Advance;”;

3.1.11 by deleting in entirety clause 8.4 of the Principal Agreement and by replacing it with the following new clause 8.4:

“8.4 Excess Cash recapture

- 8.4.1 During the period commencing on the day of the Effective Date (as such term is defined in the Second Supplemental Agreement) and ending on the last day of the Security Period, the Bank shall, in relation to each Calculation Period and each Borrower, calculate the amount of the Excess Cash of the relevant Borrower and its Ship for such Calculation Period upon receipt of the unaudited financial statements of that Borrower in relation to such Calculation Period.
- 8.4.2 If, and only if, (a) following a calculation the Bank determines the Excess Cash of a Borrower for a Calculation Period to be a positive figure and (b) the Bank determines that the Security Value is less than 130% of the Loan on the last day of such Calculation Period, then the Bank shall notify such Borrower accordingly and of the amount of such Excess Cash.

- 8.4.3

Immediately following each such notification of Excess Cash in respect of a Calculation Period, the Borrowers shall apply an amount equal to such Excess Cash in the following order:
- (a)

firstly, prepay to the Bank on a pro rata basis such part of the balloon payment of each Advance as is equal to the Deferred Amount relevant to such Advance at the time;

(b)

secondly, deposit in equal shares in each Minimum Liquidity Account that part of that Excess Cash in excess of the amounts prepaid under clause 8.4.3(a); and

(c)

thirdly, any excess after that prepay to the Bank against the Advances in accordance with clause 4.5.4.
- 8.4.4

If at any time following the submission of the unaudited financial statements of a Borrower to the Bank under this Agreement in respect of a financial year, the Bank calculates the Excess Cash in respect of a Borrower and a Calculation Period falling during any Revision Period and finds such Excess Cash to be higher than the Excess Cash for that Borrower previously calculated for that same Calculation Period by reference to the quarterly unaudited financial statements of that Borrower, then the Bank may notify the Borrowers of the difference, and the Borrowers shall make a further application in accordance with clause 8.4.3 equal to the difference. Such prepayment shall be made on the next Interest Payment Date falling immediately after such notification.”;

3.1.12 by deleting in its entirety existing clause 14.1.2 of the Principal Agreement and by inserting in its place the following new clause 14.1.2:

“14.1.2

procure that all moneys payable to each Borrower in respect of the Earnings of such Borrower’s Ship shall, unless and until the Bank directs to the contrary pursuant to the relevant Ship Security Documents, be paid to such Borrower’s Operating Account, Provided however that if any of the moneys paid to either Operating Account are payable in a currency other than Dollars, the Bank shall convert such moneys into Dollars at the Bank’s spot rate of exchange at the relevant time for the purchase of Dollars with such currency and the term “spot rate of exchange” shall include any premium and costs of exchange payable in connection with the purchase of Dollars with such currency.”;

3.1.13 by deleting in its entirety existing clause 14.3 of the Principal Agreement and by inserting in its place the following new clause 14.3:

“At any time after the occurrence of an Event of Default, the Bank may, without notice to the Borrowers, apply all moneys then standing to the credit of the Operating Accounts (or either of them) (together with interest from time to time accruing or accrued thereon) in or towards satisfaction of any sums due to the Bank under the Security Documents in the manner specified in clause 13.1.”;

3.1.14 by inserting immediately after existing clause 17.3 of the Principal Agreement the following new clause 18:

“18

Contractual recognition of bail-in

Notwithstanding any other term of any Security Document or any other agreement, arrangement or understanding between the parties to this Agreement, each party to this Agreement acknowledges and accepts (and shall procure that any other Security Party acknowledges and accepts) that any liability of any party to this Agreement to any other party to this Agreement under or in connection with the Security Documents may be subject to Bail-In Action by the relevant Resolution Authority and acknowledges and accepts to be bound by the effect of:

- (a) any Bail-In Action in relation to any such liability, including (without limitation):
 - (i) a reduction, in full or in part, in the principal amount, or outstanding amount due (including any accrued but unpaid interest) in respect of any such liability;
 - (ii) a conversion of all, or part of, any such liability into shares or other instruments of ownership that may be issued to, or conferred on, it; and
 - (iii) a cancellation of any such liability; and
- (b) a variation of any term of any Security Document to the extent necessary to give effect to any Bail-In Action in relation to any such liability.”; and

3.1.15 by inserting immediately after the existing second paragraph of clause 17.2 of the Principal Agreement the following new paragraph:

“If any person appointed as process agent for a Relevant Party is unable for any reason to act as agent for service of process, that Relevant Party must immediately (and in any event within ten days of such event taking place) appoint another agent on terms acceptable to the Bank. Failing this, the Bank may appoint another agent for this purpose.”.

3.2 Amendments to the Principal Corporate Guarantee

The Principal Corporate Guarantee shall with effect on and from the Effective Date, be (and is hereby) amended (and the Principal Corporate Guarantee (as so amended) will continue to be binding upon each of the parties hereto upon such terms as so amended):

3.2.1 by inserting in clause 1.2 of the Principal Corporate Guarantee the following new definition of “**Third Revision Period**”:

“**Third Revision Period**” means the period commencing on 1 March 2016 and ending on 30 March 2017;

3.2.2 by deleting in clause 1.2 of the Principal Corporate Guarantee the existing definition of “**Second Revision Period**” and by inserting its place the following new definition of “**Second Revision Period**”:

“**Second Revision Period**” means the period commencing on 31 December 2014 and ending on 29 February 2016;

3.2.3 by deleting in its entirety clause 5.2.6 of the Principal Corporate Guarantee and by replacing it with the following new clause 5.2.6:

“5.2.6 Share capital and distribution

without prejudice to clause 5.3, distribute any of its present or future assets, undertakings, rights or revenues to any of its shareholders **Provided however** that the Guarantor may:

- (a) subject to paragraphs (b) and (c) below, at all times during the Security Period, declare or pay cash dividends to its shareholders at any time if no Event of Default has occurred and is continuing at the time of declaration or payment of such dividends, nor would result from the declaration or payment of such dividends;

- (b) at all times during the Revision Period, declare or pay cash dividends to its shareholders holding preference share of an aggregate amount not exceeding \$500,000 per financial year; and
- (c) at all times during the Third Revision Period and at any time thereafter declare or pay cash dividends to its shareholders provided that (i) no Event of Default has occurred and is continuing at the time of declaration or payment of such dividends, nor would result from the declaration or payment of such dividends and/or (ii) there is no less than \$500,000 standing to the credit of each Minimum Liquidity Account at the time of declaration or payment of such dividends and (iii) the amount of each balloon payment is not more than \$5,300,000 in respect of the Artful Advance and not more than \$5,012,500 in respect of the Longevity Advance at the time of declaration or payment of such dividends;”;

3.2.4 by amending in paragraph 2 of Schedule 1 of the Principal Corporate Guarantee, the references to “the required minimum amount of \$500,000” should be amended to read “the required minimum amount of \$[500,000][]”.

3.3 Continued force and effect

Save as amended by this Agreement, the provisions of each of the Existing Documents and the other Security Documents shall continue in full force and effect and each of the Existing Documents and this Agreement shall be read and construed as one instrument.

4 Representations and warranties

4.1 Primary representations and warranties

Each of the Relevant Parties represents and warrants to the Bank that:

4.1.1 Existing representations and warranties

the representations and warranties set out in clause 7 of the Original Agreement, clause 4 of the First Supplemental Agreement, clause 4 of the Second Supplemental Agreement, clause 4 of the Third Supplemental Agreement clause 4 of the Principal Corporate Guarantee and clause 4 of each Manager’s Undertaking were true and correct on the date of the relevant document and are true and correct, including to the extent that they may have been or shall be amended by this Agreement, as if made at the date of this Agreement with reference to the facts and circumstances existing at such date;

4.1.2 Corporate power

it has power to execute, deliver and perform its obligations under each Relevant Document to which it is or will become, a party; all necessary corporate, shareholder and other action has been taken by it to authorise the execution, delivery and performance of each Relevant Document to which it is or will become, a party;

4.1.3 Binding obligations

this Agreement and the other Relevant Documents to which it is, or will become, a party constitute its valid and legally binding obligations enforceable in accordance with its terms;

4.1.4 No conflict with other obligations

the execution, delivery and performance of each Relevant Document to which it is, or will become, a party by such Relevant Party will not (i) contravene any existing law, statute, rule or regulation or any judgment, decree or permit to which such Relevant Party is subject, (ii) conflict with, or result in any breach of any of the terms of, or constitute a default under, any agreement or other instrument to which such Relevant Party is subject or by which it or any of its property is bound or (iii) contravene or conflict with any provision of the constitutional documents of such Relevant Party or (iv) result in the creation or imposition of or oblige such Relevant Party to create any Encumbrance on any of its undertakings, assets, rights or revenues;

4.1.5 No filings required

save for the registration of the Artful Mortgage Amendment through the relevant Registry, it is not necessary to ensure the legality, validity, enforceability or admissibility in evidence of each Relevant Document to which it is, or will become, a party that it or any other instrument be notarised, filed, recorded, registered or enrolled in any court, public office or elsewhere in any Relevant Jurisdiction or that any stamp, registration or similar tax or charge be paid in any Relevant Jurisdiction on or in relation to such Relevant Document and each Relevant Document to which it is, or will become, a party is in proper form for its enforcement in the courts of each Relevant Jurisdiction;

4.1.6 Choice of law

the choice of English law to govern the Relevant Documents (other than the Artful Mortgage Amendment), the choice of Marshall Islands law to govern the Artful Mortgage Amendment and the submission by such Relevant Party to the non-exclusive jurisdiction of the English courts are valid and binding; and

4.1.7 Consents obtained

every consent, authorisation, licence or approval of, or registration or declaration to, governmental or public bodies or authorities or courts required by such Relevant Party in connection with the execution, delivery, validity, enforceability or admissibility in evidence of each Relevant Document to which it is, or will become, a party or the performance by such Relevant Party of its obligations under each Relevant Document to which it is, or will become, a party has been obtained or made and is in full force and effect and there has been no default in the observance of any conditions or restrictions (if any) imposed in, or in connection with, any of the same.

4.2 Repetition of representations and warranties

Each of the representations and warranties contained in clause 4.1 of this Agreement and clause 7 of the Principal Agreement, clause 4 of the First Supplemental Agreement, clause 4 of the Second Supplemental Agreement, clause 4 of the Third Supplemental Agreement, clause 4 of the Principal Corporate Guarantee and clause 4 of each Manager’s Undertaking shall be deemed to be repeated by each Relevant Party (in respect of each document that each is a party to) on the Effective Date as if made with reference to the facts and circumstances existing on such day.

5 Conditions

5.1 Documents and evidence

The agreement of the Bank referred to in clause 2 shall be subject to the receipt by the Bank or its duly authorised representative of the documents and evidence specified in schedule 1 in form and substance satisfactory to the Bank.

5.2 General conditions precedent

The agreement of the Bank referred to in clause 2 shall be further subject to:

- 5.2.1 the representations and warranties in clause 4 being true and correct on the Effective Date as if each was made with respect to the facts and circumstances existing at such time; and
- 5.2.2 no Default having occurred and continuing at the time of the Effective Date.

5.3 Waiver of conditions precedent

The conditions specified in this clause 5 are inserted solely for the benefit of the Bank and may be waived by the Bank in whole or in part with or without conditions.

6 Relevant Parties’ Confirmation

Each of the Relevant Parties acknowledges and agrees, for the avoidance of doubt, that:

- 6.1.1 each of the Security Documents to which it is a party, and its obligations thereunder, shall remain in full force and effect notwithstanding the amendments made to the Principal Agreement and the Principal Corporate Guarantee by this Agreement; and
- 6.1.2 with effect from the Effective Date, references to “the Agreement” or “the Loan Agreement” or “the Corporate Guarantee” in any of the other Security Documents to which it is a party shall henceforth be references to the Principal Agreement and the Principal Corporate Guarantee as each is amended and/or supplemented by this Agreement and as from time to time hereafter amended and/or supplemented and shall also be deemed to include the obligations of the Borrowers hereunder.

7 Expenses

7.1 Expenses

The Borrowers agree to pay to the Bank on a full indemnity basis on demand all expenses (including legal and out-of-pocket expenses) incurred by the Bank:

- 7.1.1 in connection with the negotiation, preparation, execution and, where relevant, registration of the Relevant Documents and of any amendment or extension of, or the granting of any waiver or consent under, any of the Relevant Documents; and
 - 7.1.2 in contemplation of, or otherwise in connection with, the enforcement of, or preservation of any rights under any of the Relevant Documents or otherwise in respect of the monies owing and obligations incurred under any of the Relevant Documents,
- together with interest at the rate referred to in clause 3.4 of the Principal Agreement from the date on which such expenses were incurred to the date of payment (as well after as before judgement).

7.2 Value Added Tax

All expenses payable pursuant to this clause 7 shall be paid together with value added tax or any similar tax (if any) properly chargeable thereon.

7.3 Stamp and other duties

The Borrowers agree to pay to the Bank on demand all stamp, documentary, registration or other like duties or taxes (including any duties or taxes payable by the Bank) imposed on or in connection with any of the Relevant Documents and shall indemnify the Bank against any liability arising by reason of any delay or omission by the Borrowers to pay such duties or taxes.

8 Miscellaneous and notices

8.1 Notices

Every notice, request, demand or other communication under this Agreement shall:

- 8.1.1 be in writing, delivered personally or by first-class prepaid letter (airmail if available) or telefax or other means of telecommunication in permanent written form;

8.1.2 be deemed to have been received, in the case of a letter, when delivered personally or three (3) days after it has been put into the post and, in the case of a facsimile transmission or other means of telecommunication in permanent written form, at the time of despatch (provided that if the date of despatch is not a business day in the country of the addressee or, if the time of despatch is after the close of business in the country of the addressee, it shall be deemed to have been received at the opening of business on the next such business day); and

8.1.3 be sent:

(a) if to the Relevant Parties or any of them:

c/o Globus Shipmanagement Corp.
128 Vouliagmenis Avenue
166 74 Glyfada
Greece

Fax No: +30 210 960 8352
Attention: Mr Athanasios Feidakis

(b) if to the Bank at:

For credit matters:

DVB Bank SE, Frankfurt
Platz der Republik 6
D-60325 Frankfurt am Main
Federal Republic of Germany

Fax No: +49 69 9750 4526
Attention: LAM Frankfurt

with a copy to:

DVB Bank SE
Representative Office Greece
95 Akti Miaouli
185 38 Piraeus
Greece

Fax No: +30 210 455 7420
Attention: Dry Bulk Group

For Loan Administration Matters:

DVB Bank SE
Park House
6th Floor
16-18 Finsbury Circus
London EC2M 7EB
England

Fax No: +44 207 256 4352
Attention: LAM London

8.2 Counterparts

This Agreement may be executed in any number of counterparts and by the different parties on separate counterparts, each of which when so executed and delivered shall be an original but all counterparts shall together constitute one and the same instrument.

8.3 Relevant Parties’ obligations

Each of the Relevant Parties being party to this Agreement agrees and consents to be bound by this Agreement notwithstanding that any other Relevant Party which was intended to sign or be bound may not do so or be effectually bound and notwithstanding that this Agreement may be invalid or unenforceable against any of the other Relevant Parties whether or not the deficiency is known to the Bank. The Bank shall be at liberty to release any of the Relevant Parties from this Agreement and to compound with or otherwise vary the liability or to grant time and indulgence to make other arrangements with any of the Relevant Parties without prejudicing or affecting the rights and remedies of the Bank against the other Relevant Parties.

9 Applicable law

9.1 Law

This Agreement and any non-contractual obligations connected with it are governed by, and shall be construed in accordance with, English law.

9.2 Submission to jurisdiction

Each of the Relevant Parties agrees, for the benefit of the Bank, that any legal action or proceedings arising out of or in connection with this Agreement (including any legal action or proceedings arising out of or in connection with any non-contractual obligations connected with it) against any of its assets may be brought in the English courts. Each of the Relevant Parties irrevocably and unconditionally submits to the jurisdiction of such courts and irrevocably designates, appoints and empowers Messrs Saville & Co at present of One Carey Lane, EC2V 8AE, London, England to receive for it and on its behalf, service of process issued out of the English courts in any such legal action or proceedings. The submission to such jurisdiction shall not (and shall not be construed so as to) limit the right of the Bank to take proceedings against any of the Relevant Parties in the courts of any other competent jurisdiction nor shall the taking of proceedings in any one or more jurisdictions preclude the taking of proceedings in any other jurisdiction, whether concurrently or not. Each of the Relevant Parties further agrees that only the courts of England and not those of any other state shall have jurisdiction to determine any claim which any of the Relevant Parties may have against the Bank arising out of or in connection with this Agreement and/or any non-contractual obligations connected with it.

9.3 Contracts (Rights of Third Parties) Act 1999

No term of this Agreement is enforceable under the Contracts (Rights of Third Parties) Act 1999 by a person who is not a party to this Agreement.

IN WITNESS whereof the parties hereto have caused this Agreement to be duly executed as a deed on the date first above written.

Schedule 1

Documents and evidence required as conditions precedent

(referred to in clause 5.1)

1 Corporate authorisations

In relation to each of the Relevant Parties:

(a) Constitutional documents

copies certified by an officer of each of the Relevant Parties, as a true, complete and up to date copies, of all documents which contain or establish or relate to the constitution of that party or a secretary's certificate confirming that there have been no changes or amendments to the constitutional documents certified copies of which were previously delivered to the Bank pursuant to the Principal Agreement;

(b) Resolutions

copies of resolutions of each of its board of directors and, if required following advice by the Bank's counsel, its shareholders approving this Agreement and the other Relevant Documents and the terms and conditions hereof and thereof and authorising the signature, delivery and performance of each such party's obligations thereunder, certified (in a certificate dated no earlier than five (5) Banking Days prior to the date of this Agreement) by an officer of such Relevant Party as:

- (1) being true and correct;
- (2) being duly passed at meetings of the directors of such Relevant Party and, as the case may be, of the shareholders of such Relevant Party each duly convened and held;
- (3) not having been amended, modified or revoked; and
- (4) being in full force and effect,

together with originals or certified copies of any powers of attorney issued by any party pursuant to such resolutions; and

(c) Certificate of incumbency

a list of directors and officers of each Relevant Party specifying the names and positions of such persons, certified (in a certificate dated no earlier than five (5) Banking Days prior to the date of this Agreement) by an officer of such Relevant Party to be true, complete and up to date;

2 Consents

a certificate (dated no earlier than five (5) Banking Days prior to the date of this Agreement) from an officer of each of the Relevant Parties stating that no consents, authorisations, licences or approvals are necessary for such Relevant Party to authorise, or are required by each of the Relevant Parties or any other party (other than the Bank) in connection with, the execution, delivery, and performance of this Agreement and the other Relevant Documents to which such Relevant Party is or is to be a party;

- 3

Legal opinions

such legal opinions in relation to the laws of the Republic of Malta and the Republic of the Marshall Islands and any other legal opinions as the Bank shall in its absolute discretion require;
- 4

Prepayment

evidence satisfactory to the Bank that (i) the Borrowers have prepaid the two repayment instalments of the Artful Advance next due in an amount equal to \$880,000 and the two repayment instalments of the Longevity Advance next due in an amount of \$832,500 and (ii) such prepayments are effected (1) for an amount of \$1,000,000 from the moneys standing to the credit of the Minimum Liquidity Accounts and (2) for an amount of \$712,500 from new equity injection to the Borrowers or either of them by the Corporate Guarantor;
- 5

Artful Mortgage Amendment registration

evidence that the Artful Mortgage Amendment has been registered against the Artful Ship through the relevant Registry under the laws and flag of the relevant Flag State;
- 6

Operating Accounts

evidence that each Operating Account has been opened and duly completed mandate forms in respect thereof have been delivered to the Bank;
- 7

Operating Account Pledges

the Operating Account Pledges duly executed by the parties thereto;
- 8

German Process agent

a letter from the relevant Borrower's agent for receipt of service of proceedings accepting its appointment under its Operating Account Pledge as such Borrower’s process agent;
- 9

English Process agent

a letter from each Relevant Party's agent for receipt of service of proceedings accepting its appointment under this Agreement as such Relevant Party’s process agent; and
- 10

Other matters

such other matters or favourable opinions as the Bank may require.

EXECUTED as a DEED

By Olga Lambrianidou

for and on behalf of

ARTFUL SHIPHOLDING S.A.

in the presence of:

)

)

)

)

)

/s/Olga Lambrianidou

Attorney-in-fact

/s/ Emmanouil Chamilothis

Witness

Name: Emmanouil Chamilothis

Address:

Occupation: Attorney

EXECUTED as a DEED

By Olga Lambrianidou

for and on behalf of

LONGEVITY MARITIME LIMITED

in the presence of:

)

)

)

)

)

/s/ Olga Lambrianidou

Attorney-in-fact

/s/ Emmanouil Chamilothis

Witness

Name: Emmanouil Chamilothis

Address:

Occupation: Attorney

EXECUTED as a DEED

By Olga Lambrianidou

for and on behalf of

GLOBUS MARITIME LIMITED

in the presence of:

)

)

)

)

)

/s/ Olga Lambrianidou

Attorney-in-fact

/s/ Emmanouil Chamilothis

.....

Witness

Name: Emmanouil Chamilothis

Address:

Occupation: Attorney

19

EXECUTED as a **DEED**
by Olga Lambrianidou
for and on behalf of
GLOBUS SHIPMANAGEMENT CORP.
in the presence of:

)
)
)
)
)

/s/Olga Lambrianidou.
Attorney-in-fact

/s/ Emmanouil Chamilothoris
Witness
Name: Emmanouil Chamilothoris
Address:
Occupation:

EXECUTED as a **DEED**
by Emmanoujl Chamilothoris
for and on behalf of
DVB BANK SE
in the presence of:

)
)
)
)
)

/s/ Emmanouil Chamilothoris
Attorney-in-fact

/s/ Ariana Geogallis.....
Witness
Name: Ariana Georgallis
Address:
Occupation: Attorney

SUBSIDIARIES OF GLOBUS MARITIME LIMITED

Name	Jurisdiction of Incorporation	Name Under Which the Subsidiaries do Business
Globus Shipmanagement Corp.	Marshall Islands	Globus Shipmanagement Corp.
Devocean Maritime Ltd.	Marshall Islands	Devocean Maritime Ltd.
Domina Maritime Ltd.	Marshall Islands	Domina Maritime Ltd.
Dulac Maritime S.A.	Marshall Islands	Dulac Maritime S.A.
Artful Shipholding S.A.	Marshall Islands	Artful Shipholding S.A.
Longevity Maritime Limited	Malta	Longevity Maritime Limited

CERTIFICATION PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Athanasios Feidakis, certify that:

1. I have reviewed this annual report on Form 20-F of Globus Maritime Limited;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;
4. I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under my supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to me by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under my supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the company’s disclosure controls and procedures and presented in this report my conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the company’s internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company’s internal control over financial reporting; and
5. I have disclosed, based on my most recent evaluation of internal control over financial reporting, to the company’s auditors and the audit committee of the company’s board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company’s ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company’s internal control over financial reporting.

Date: April 29, 2016

By: /s/ Athanasios Feidakis
Name: Athanasios Feidakis
Title: President, Chief Executive Officer and Chief Financial Officer

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE U.S. SARBANES-OXLEY ACT OF 2002**

In connection with this annual report of Globus Maritime Limited (the “Company”) on Form 20-F for the year ended December 31, 2015 as filed with the Securities and Exchange Commission on or about the date hereof (the “Report”), I, Athanasios Feidakis, President, Chief Executive Officer and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: April 29, 2016

By: /s/ Athanasios Feidakis
Name: Athanasios Feidakis
Title: President, Chief Executive Officer and Chief Financial Officer