

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, 2017

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)

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(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.

Title of Each Class
Common Shares, par value \$0.004 per share

Name of Each Exchange On Which Registered
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, 2017, there were 31,630,419 shares of the registrant's Common 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, a non-accelerated filer, or an emerging growth company. See definition of "large accelerated filer," "accelerated filer," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer

Emerging growth company

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards[†] provided pursuant to Section 13(a) of the Exchange Act.

[†] The term "new or revised financial accounting standard" refers to any update issued by the Financial Accounting Standards Board to its Accounting Standards Codification after April 5, 2012.

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

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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, none of which were outstanding on December 31, 2016 and 2017 as well as 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. On October 20, 2016, we effected a four-for-one reverse stock split which reduced number of outstanding common shares from 10,510,741 to 2,627,674 shares (adjustments were made based on fractional 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 these reverse splits.

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 our 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, 2017, 2016, 2015, 2014 and 2013 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)				
	2017	2016	2015	2014	2013
Consolidated Statement of comprehensive (loss)/income					
Voyage revenues	14,392	8,740	12,715	26,378	29,434
Management fee income	31	278	-	-	-
Total Revenues	<u>14,423</u>	<u>9,018</u>	<u>12,715</u>	<u>26,378</u>	<u>29,434</u>
Voyage expenses	(1,892)	(1,271)	(2,384)	(4,254)	(2,892)
Vessel operating expenses	(9,135)	(8,688)	(10,321)	(9,707)	(10,031)
Depreciation	(4,854)	(5,014)	(6,085)	(5,624)	(5,622)
Depreciation of drydocking costs	(862)	(1,005)	(1,062)	(574)	(434)
Amortization of fair value of time charter attached to vessels	-	-	(41)	(746)	(1,261)
Administrative expenses	(1,224)	(2,094)	(1,751)	(1,896)	(2,092)
Administrative expenses payable to related parties	(514)	(351)	(465)	(522)	(620)
Share-based payments	(40)	(50)	(60)	(60)	189
(Impairment Loss)/Reversal of impairment	-	-	(20,144)	2,240	1,679
Gain from sale of subsidiary	-	2,257	-	-	-
Other (expenses)/income, net	83	(30)	(110)	(1)	127
Operating (loss)/profit before financing activities	<u>(4,015)</u>	<u>(7,228)</u>	<u>(29,708)</u>	<u>5,234</u>	<u>8,477</u>
Interest income	3	5	8	12	41
Interest expense and finance costs	(2,221)	(2,676)	(2,783)	(2,137)	(3,571)
Gain on derivative financial instruments	-	-	-	-	738
Foreign exchange gains/(losses), net	(242)	74	87	103	(8)
Total comprehensive (loss)/income for the year	<u>(6,475)</u>	<u>(9,825)</u>	<u>(32,396)</u>	<u>3,212</u>	<u>5,677</u>
Basic earnings/(loss) per share for the year	(0.25)	(3.77)	(12.80)	1.16	2.08
Diluted earnings/(loss) per share for the year	(0.25)	(3.77)	(12.80)	1.16	2.08
Weighted average number of common shares, basic	25,749,951	2,603,835	2,566,673	2,558,590	2,553,999
Weighted average number of common shares, diluted	25,749,951	2,603,835	2,566,673	2,558,590	2,553,999
Dividends declared per common share	-	-	-	-	-
Dividends declared per Series A Preferred Share	-	-	174.65	113.88	128.66
Adjusted (LBITDA)/EBITDA(1) (unaudited)	1,701	(3,466)	(2,376)	9,938	14,115

(1) 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 Adjusted (LBITDA)/EBITDA (unaudited) to total comprehensive (loss)/income for the periods presented:

	Year Ended December 31,				
	(Expressed in Thousands of U.S. Dollars)				
	2017	2016	2015	2014	2013
Total comprehensive (loss)/income for the year	(6,475)	(9,825)	(32,396)	3,212	5,677
Interest and finance costs, net	2,218	2,671	2,775	2,125	3,530
(Gain)/loss on derivative financial instruments	-	-	-	-	(738)
Foreign exchange (gains)/losses, net	242	(74)	(87)	(103)	8
Depreciation	4,854	5,014	6,085	5,624	5,622
Depreciation of drydocking costs	862	1,005	1,062	574	434
Amortization of fair value of time charter attached to vessels	-	-	41	746	1,261
Reversal of (impairment loss) / impairment	-	-	20,144	(2,240)	(1,679)
Gain from disposal of subsidiary	-	(2,257)	-	-	-
Adjusted (LBITDA)/EBITDA (unaudited)	<u>1,701</u>	<u>(3,466)</u>	<u>(2,376)</u>	<u>9,938</u>	<u>14,115</u>

	As of December 31,				
	(Expressed in Thousands of U.S. Dollars)				
	2017	2016	2015	2014	2013
Statements of financial position data					
Total non-current assets	87,373	91,847	110,140	141,834	133,707
Total current assets (including "Non-current assets classified as held for sale")	4,230	2,149	4,697	10,235	21,955
Total assets	91,603	93,996	114,837	152,069	155,662
Total equity	43,968	20,760	30,535	63,319	60,340
Total non-current liabilities	82	42,100	14,673	40,314	72,801
Total current liabilities	47,553	31,136	69,629	48,436	22,521
Total equity and liabilities	91,603	93,996	114,837	152,069	155,662

	Year Ended December 31,				
	(Expressed in Thousands of U.S. Dollars)				
	2017	2016	2015	2014	2013
Consolidated statements of cash flows data					
Net cash generated from/(used in) operating activities	631	(3,600)	(60)	9,521	12,357
Net cash (used in)/generated from investing activities	(263)	362	5,351	5	(1,016)
Net cash generated from/(used in) financing activities	2,225	1,396	(8,369)	(9,333)	(17,123)

	Year Ended December 31,				
	(Expressed in Thousands of U.S. Dollars)				
	2017	2016	2015	2014	2013
Ownership days(1)	1,825	1,908	2,380	2,555	2,555
Available days(2)	1,787	1,885	2,336	2,513	2,527
Operating days(3)	1,745	1,830	2,252	2,500	2,486
Bareboat charter days(4)	-	-	22	365	365
Fleet utilization(5)	97.6%	97.1%	96.4%	99.5%	98.4%
Average number of vessels(6)	5.0	5.2	6.5	7.0	7.0
Daily time charter equivalent (TCE) rate(7)	\$ 6,993	\$ 3,962	\$ 4,333	\$ 7,969	\$ 9,961

(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 Voyage Revenues to Daily Time Charter Equivalent Reconciliation for the periods presented.

	Year Ended December 31,				
	(Expressed in Thousands of U.S. Dollars, except number of days and daily TCE rates)				
	2017	2016	2015	2014	2013
Voyage revenues	14,392	8,740	12,715	26,378	29,434
Less: Voyage expenses	1,892	1,271	2,384	4,254	2,892
Less: bareboat charter net revenue	-	-	304	5,006	5,006
Net revenue excluding bareboat charter net revenue	12,500	7,469	10,027	17,118	21,536
Available days net of bareboat charter days	1,787	1,885	2,314	2,148	2,162
Daily TCE rate	6,993	3,962	4,333	7,969	9,961

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 and 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. In February 2016 the market reached a new all-time low and until the end of 2016 remained fairly depressed as compared to pre-2009 rates. In 2017 rates increased, reaching a peak during the fourth quarter of 2017. 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 a new all-time low of 290 in February 10, 2016. In 2017 rates increased and the BDI went as high as 1,743 in December 12, 2017. The BDI ranged from 1,125 to 1,395 in January 2018. 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 has taken a 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. This all negatively affects the dry bulk industry, us included.

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. As we earn revenue in United States Dollars, the strengthening of the Euro (with which we pay some of our expenses) as compared to the United States Dollar could increase our expenses. 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 2017, even though the fleet growth percentage has substantially reduced during the last three years. 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. This could have material adverse effect on our ability to continue our business.

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, and our loan agreement with HSH Nordbank AG, which we refer to as the HSH 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.

As of December 31, 2017, we satisfied the covenants included in our loan agreements with HSH Nordbank AG and DVB Bank SE following amendments made by supplemental agreements that we entered into in 2017 which relaxed or waived certain covenants up to March and April 2018, respectively. 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 or the HSH Loan Agreement, 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.

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 and Bureau Veritas. 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 lower than originally anticipated. In addition, China previously 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, the Middle East, 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 remained at the same level as the former year of approximately 6.9% for the year ended December 31, 2017. China has previously imposed measures to restrain lending, which may further contribute to a slowdown in its economic growth. It also 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 substantial doubts about our ability to continue as a going concern and if we are unable to continue our business, our shares may have little or no value.

We had a working capital deficit (being our total consolidated current liabilities exceeding our total consolidated current assets) of \$43.3 million as of December 31, 2017.

See “—At December 31, 2017, Globus’s current liabilities exceeded its current assets” for more information.

Our ability to become a profitable operating company is dependent 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 expressed by our independent auditors about our ability to continue as a going concern. 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, 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.

At December 31, 2017, Globus’s current liabilities exceeded its current assets.

During 2017, we agreed to amend our loan agreements with DVB Bank SE and HSH Nordbank AG and, accordingly, all loan covenants were either relaxed or waived up to April 1, 2018 (in the case of the DVB Loan Agreement) and March 3, 2018 (in the case of the HSH Loan Agreement). In this respect, as of December 31, 2017, we were in compliance with the loan covenants of the agreements with the banks, as amended and in effect. However, we may not be able to meet certain of the relaxed terms included in the supplemental agreements with the banks (for more information, see Item 5.B Liquidity and Capital Resources – Indebtedness) including maintaining a minimum liquidity and minimum net worth once the waivers expire and cannot guarantee that we will be able to obtain new waivers or extensions to these waivers. If we are unable to obtain further waivers or extend the existing waivers or meet the terms of these loan agreements without them, we may breach covenants contained in such loan agreements constituting an event of default. If an event of default occurs under the DVB Loan Agreement or the HSH Loan Agreement, due to cross-default provisions included in these agreements, our lenders 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.

Accordingly, as we did not have an unconditional right to defer settlement of the related liability for at least twelve months after the date of the consolidated statement of financial position, the total balance of the loans outstanding to DVB Bank SE and HSH Nordbank AG of \$41.5 million at December 31, 2017, has been classified as current. As a result, as of December 31, 2017, our working capital, measured as our current assets, minus our current liabilities, including the current portion of long-term debt, amounted to a working capital deficit of \$43.3 million.

Current liabilities as of December 31, 2017 include:

- (1) the amount outstanding of \$24.8 million with respect to the HSH Loan Agreement with HSH Nordbank AG. For more information, see Item 5.B Liquidity and Capital Resources – Indebtedness.”
- (2) the amount outstanding of \$16.7 million with respect to the Loan Agreement with DVB Bank SE. For more information, see Item 5.B Liquidity and Capital Resources – Indebtedness.”

Based on our cash flow projections for the twelve-month period ending following the issuance of these consolidated financial statements, cash on hand and cash generated from operating activities will not be sufficient for us to be in compliance with the minimum liquidity requirement contained in certain of our loan and credit facilities or to cover scheduled debt payments due in this period. The period of time that we will be able to continue to operate as a going concern will depend on our ability to restructure our loan and credit arrangements and to finance our operations through the sale of equity, potential sale of assets, incurring debt, or other financing alternatives. 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, and the remainder, if any, would be for our use, subject to the terms of our remaining loan and credit arrangements. We acknowledge that uncertainty remains over our ability to meet our liabilities as they fall due. If for any reason we are unable to continue as a going concern, our investors may lose all or a portion of their investment, and we may be unable to pay all of our outstanding debts and other obligations.

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

As of December 31, 2017, the Company was not in breach of the financial covenants included in all of its loan agreements, as amended and in effect.

On July 10, 2017 and on June 23, 2017, we entered into Supplemental Agreements with HSH Nordbank AG and DVB Bank SE to amend the HSH Loan Agreement and the DVB Loan Agreement, respectively, including amendments that provide for the relaxation and/or waiver of certain financial covenants, including maintaining a minimum liquidity and minimum net worth.

We cannot guarantee that we will be able to obtain new waivers or extensions to these waivers, if needed, when these waivers begin to expire on April 1, 2018 (in the case of the DVB Loan Agreement) and March 3, 2018 (in the case of the HSH Loan Agreement). If we are unable to obtain further waivers or extend the existing waivers or meet the terms of these loan agreements without them, we may breach covenants contained in such loan agreements constituting an event of default. If an event of default occurs under the DVB Loan Agreement or the HSH Loan Agreement, due to cross-default provisions included in these agreements, our lenders 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 the our assets.

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

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 outstanding loan arrangements with third parties contains a cross-default provision that may be triggered by a default under any of our other loans. 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.

Our loan agreements include covenants regarding the continued service of our officers and directors.

Some of our loan agreements include covenants regarding the continued service of our officers and directors, which covenants would be breached if certain of our directors resigned, died, were not reelected, or otherwise could not continue to serve the Company in such capacity. In one of those events occurred, the lender under those loan agreements could declare an event of default. Each of our outstanding loan arrangements also contains a cross-default provision that may be triggered by a default under any of our other loans. 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 shareholders were significantly diluted by virtue of the February 2017 private placement and loan amendment agreements, and a second private placement in October 2017. It is unclear whether the full ramifications of those transactions have been reflected in our stock price.

In February 2017 we issued in the aggregate 25 million common shares and warrants to issue an additional 32,380,017 common shares in exchange for \$20 million of debt release and \$5 million in cash. Prior to such issuance, a total of 2,627,674 common shares were issued and outstanding. On October 19, 2017, we entered into a Share and Warrant Purchase Agreement (the "October 2017 SPA") pursuant to which we sold for \$2.5 million an aggregate of 2.5 million of our common shares and a warrant ("October 2017 Warrant") to purchase 12.5 million of our common shares at a price of \$1.60 per share (subject to adjustment) to an investor in a private placement (the "October 2017 Private Placement"). Our share price has not proportionately decreased to reflect the additional number of common shares that were issued and are issuable pursuant to exercise of the warrants, and it remains to be seen how the market will perceive this change in our increased number of shares. If the market views these transactions negatively, our share price could substantially depreciate.

Our stock price has been volatile and no assurance can be made that it will not substantially depreciate.

Our stock price has been volatile recently. The closing price of our common shares within the past 18 months has ranged from a peak of \$10.77 on January 23, 2017 to a low of \$0.91 on November 11, 2017. Adjusting for the 4:1 stock split we effected on October 20, 2016, this represents a 92% decrease from January 23, 2017. We can offer no comfort or assurance that our stock price will stop being volatile or not substantially depreciate.

Our existing shareholders will be diluted each time our outstanding warrants are exercised.

After we issued the February 2017 Warrants, our warrant holders had the right to purchase an aggregate of 32,380,017 common shares. The number of common shares issuable upon exercise and price of exercise are subject to adjustment. We expect the exercise of such outstanding warrants to dilute the value of our shares. Further to the February 2017 private placement two investors partially exercised their warrants, purchasing 1,481,808 of our common shares for aggregate gross of approximately \$2,371,000. As of December 31, 2017, in connection with the February 2017 private placement, we had February 2017 Warrants outstanding to purchase an aggregate of 30,898,209 common shares (subject to adjustment).

After we issued the October 2017 Warrant, that warrant holder had the right to purchase an aggregate of 12,500,000 common shares at a price of \$1.60 per share (subject to adjustment). As of December 31, 2017, in connection with the October 2017 private placement, the October 2017 Warrant was outstanding and had not been exercised in full or in part (meaning its holder could purchase an aggregate of 12,500,000 common shares, subject to adjustment).

A substantial number of common shares were sold in the February and October 2017 private placements and related loan amendment agreements, and we cannot predict if and when the holders of those securities may sell such shares in the public markets. Furthermore, in the future, we may issue additional common shares or other equity or debt securities convertible into common shares in connection with a financing, acquisition, litigation settlement, employee arrangements, or otherwise. Any such issuance could result in substantial dilution to our existing shareholders and could cause our stock price to decline.

The sale of a substantial amount of our common shares, including resale of the common shares issuable upon the exercise of the warrants held by the warrant holders, in the public market could adversely affect the prevailing market price of our common shares.

In connection with the February 2017 private placement our warrant holders hold outstanding warrants to purchase an aggregate of 30,898,209 common shares at an exercise price of \$1.60 per share (subject to adjustment). In connection with the October 2017 private placement our warrant holder holds an outstanding warrant to purchase an aggregate of 12,500,000 common shares at an exercise price of \$1.60 per share (subject to adjustment). Both the number of common shares issuable upon exercise of the warrants and the exercise price are subject to adjustment. Sales of substantial amounts of our common shares in the public market, or the perception that such sales might occur, could adversely affect the market price of our common shares, and the market value of our other securities.

We cannot predict if and when the warrant holders may sell such shares in the public markets, but note that they hold a substantial amount of shares which are all exercisable at the same price. We think it likely that additional exercises will occur if our stock price stays above the exercise price of \$1.60 for an extended period of time. The potential for substantial exercise of warrants could make it difficult for our share price to rise substantially above the exercise price of \$1.60.

Such sales could also cause our stock price to be volatile and could cause our shareholders to be diluted. Furthermore, in the future, we may issue additional common shares or other equity or debt securities convertible into common shares in connection with a financing, acquisition, litigation settlement, employee arrangements, or otherwise. Any such issuance could result in substantial dilution to our existing shareholders and could cause our stock price to decline.

Certain shareholders hold registration rights, which may have an adverse effect on the market price of our common shares.

In connection with the February 8, 2017 transactions, we issued to Firment Shipping Inc., a company owned by our Chairman Mr. George Feidakis, 20 million common shares and warrants to purchase 7,380,017 common shares. Firment Shipping Inc. has the right to register those common shares for resale pursuant to a registration rights agreement we entered into with its affiliate, Firment Trading Limited. The resale of those common shares in addition to the offer and sale of the other securities sold in the February 2017 private placement (including shares issuable upon exercise of warrants sold in that private placement) may have an adverse effect on the market price of our common shares. In addition, the purchasers of the shares in the February and October private placements also have registration rights.

If we are unable to deliver common shares free of restrictive legends where required, we must make whole any purchaser who loses money by purchasing common shares on the market to complete a trade.

The warrants and the purchase agreements pursuant to which the warrants were issued in the February and October private placements require us, within the later of (a) five full trading days of the exercise of a warrant and (b) three full trading days after receipt of the purchase price for such exercised warrants, to issue common shares, which, where called for therein, must be free of restrictive legends. We are similarly obligated, where called for therein, to remove restrictive legends from the 5 million common shares issued to purchasers in the February 2017 Transactions and October 2017 SPA. If we are unable to deliver proof that the above has occurred when required and if a warrant or shareholder has traded the common shares that we have failed to deliver unlegended, penalty provisions of these documents require us to make whole any warrant holder or shareholder who loses money by purchasing shares on the common market to complete its trade. Depending on our share price during this time and the number of shares to which the payments relate, we could be required to pay a substantial sum.

If we are unable to maintain the effectiveness of the resale registrations statements for the shares and warrants that we sold in the private placements in 2017, we would have breached agreements and the warrants may be eligible for cashless exercise.

The warrants that we sold in February and October 2017 each contain a provision whereby the relevant holder has the right to a cashless exercise if, six months after its issuance, a registration statement covering the resale of the shares issuable thereunder is not effective. If for any reason we are unable to keep such a registration statement active, we could be required to issue shares without receiving cash consideration. In addition, we would have breached certain agreements with those investors and may be sued. Currently the registration statements have been filed and are effective.

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 or the HSH Loan Agreement 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 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 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.

Our common shares may be delisted from Nasdaq, which could affect their 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, a market value of publicly held securities of \$1 million and net income from continuing operations of \$500,000), 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, net income requirements 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 calendar year 2017, the closing price of our common shares ranged from a peak of \$10.77 on January 23, 2017 to a low of \$0.91 on November 11, 2017, which low price falls beneath the \$1.00 per share requirement imposed by the Nasdaq Capital Market to continue listing our shares.

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 and commenced trading on the Nasdaq Capital Market on April 11, 2016.

On May 9, 2016 the Company received a written notification from Nasdaq confirming its eligibility for a second grace period of 180 days, lasting until November 9, 2016 to regain compliance with its minimum \$1.00 per share closing bid price requirement. On October 20, 2016, we effected a four-for-one reverse stock split which reduced number of outstanding common shares from 10,510,741 to 2,627,674 shares (adjustments were made based on fractional shares). On November 3, 2016 received a letter from NASDAQ, indicating that the Company has regained compliance with the \$1.00 per share minimum closing bid price requirement for continued listing on the NASDAQ Capital Market, pursuant to the NASDAQ marketplace rules. For at least 10 consecutive business days from October 20, to November 2, 2016, the closing bid price had been greater than \$1.00. NASDAQ indicated within its letter that since the Company has regained compliance with Listing Rule 5550(a)(2) (the “Minimum Bid Price Rule”), the matter had closed. We can offer no reassurance that we will not receive similar letters in the future.

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. 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 of our shares would breach a number of our credit facilities and loan arrangements, some of which contain cross default provisions. Delisting may also impair our ability to raise capital. We refer you to our annual report on Form 20-F for more information about our listing requirements.

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, 2017, 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 114 as of December 31, 2017). 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 a current or 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, 2017 and 2016, the weighted average age of the vessels in our fleet was 9.8 and 8.8 years, respectively. 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 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 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 what we believe to be 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.

Our ability to declare and pay 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.

If we are not in compliance with our loan covenants and received a notice of default and were 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 preferred shares prior to the holders of our common shares, depending on the terms of the preferred 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 certain 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 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, when applicable, 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, when applicable, 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, 2017 and December 31, 2016, the vessels in our current fleet had a weighted average age of 9.8 and 8.8 years, respectively. 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, 2017, 2016 and 2015, we derived substantially all of our revenues from approximately 22, 29 and 32 customers, respectively, and approximately 44%, 36% and 36%, respectively, of our revenues during those years, were derived from four customers. If one or more of our major customers defaults 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.

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, because our different classes of shares can have different numbers of votes. For instance, our articles of incorporation grant 20 votes to each Class B share, as compared to one vote per common share; although no Class B shares are currently issued and outstanding, any person who held Class B shares representing more than 2.5% of the Company's total issued and outstanding shares could control a majority of the Company's votes and would be able to exert substantial control over our management and all matters requiring shareholder approval, including electing directors and significant corporate transactions, such as a merger. Such holder's interest could differ from yours, and the issuance of such shares could decrease the price of our common shares.

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, 2017 and 2016 we incurred approximately 28% 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.

Mr. George Feidakis, the chairman of our board of directors, beneficially owns a majority of our outstanding common shares as of March 8, 2018. Please read “Item 7.A. Major Shareholders.” Until such time that we issue a significant number of securities (which would occur upon exercise of the warrants issued during the February and October 2017 private placements and related transactions) to persons other than Mr. George Feidakis or entities nor beneficially owned by Mr. George Feidakis, 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, 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 a significant number of securities (which would occur upon exercise of the warrants issued during the February and October 2017 private placement and related transactions) to persons other than Mr. George Feidakis or entities not beneficially owned by Mr. George Feidakis, 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 or through the application of a comprehensive income tax treaty between the United States and the corporation’s country of residence. 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 or Exemption or an exemption under a tax treaty 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, North Korea, 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. The JCPOA is not binding on the U.S. government. As a result, the easing of sanctions effected by the JCPOA can be reversed by the U.S. government at any time.

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 ability to revoke the aforementioned relief if Iran fails to meet its commitments under the JCPOA, or otherwise. 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 to make the laws of the Marshall Islands, with respect of the subject matter of the BCA, uniform with 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 occur if our warrant holders exercise their warrants and sell the common shares resulting from their warrants exercise. 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.

Our issuance of additional common shares (which will occur each time a warrant holder exercises a warrant), 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.

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

On October 20, 2016, we effected a four-for-one reverse stock split which reduced number of outstanding common shares from 10,510,741 to 2,627,674 shares (adjustments were made based on fractional shares).

On February 8, 2017, we entered into a Share and Warrant Purchase Agreement pursuant to which we sold for \$5 million an aggregate of 5 million of our common shares and warrants to purchase 25 million of our common shares at a price of \$1.60 per share (subject to adjustment) to a number of investors in a private placement. These securities were issued in transactions exempt from registration under the Securities Act. The following day, we entered into a registration rights agreement with the Purchasers providing them with certain rights relating to registration under the Securities Act of the Shares and the common shares underlying the Warrants.

In connection with the closing of the February 2017 private placement, we also entered into two loan amendment agreements with existing lenders.

One loan amendment agreement was entered into by the Company with Firment Trading Limited, a related party to the Company and the lender of the Firment Credit Facility, which then had an outstanding principal amount of \$18,523,787. Firment released an amount equal to \$16,885,000 (but left an amount equal to \$1,638,787 outstanding, which continued to accrue under the Firment Credit Facility as though it were principal) of the Firment Credit Facility and the Company issued to Firment Shipping Inc., an affiliate of Firment, 16,885,000 common shares and a warrant to purchase 6,230,580 common shares at a price of \$1.60 per share (subject to adjustment). Subsequent to the closing of the February 2017 private placement, Globus repaid the outstanding amount on the Firment Credit Facility in its entirety.

The other loan amendment agreement was entered into by the Company with Silaner Investments Limited, a related party to the Company and the lender of the Silaner Credit Facility. Silaner released an amount equal to the outstanding principal of \$3,115,000 (but left an amount equal to \$74,048 outstanding, which continued to accrue under the Silaner Credit Facility as though it were principal) of the Silaner Credit Facility and the Company issued to Firment Shipping Inc., an affiliate of Silaner, 3,115,000 common shares and a warrant to purchase 1,149,437 common shares at a price of \$1.60 per share (subject to adjustment). Subsequent to the closing of the February 2017 private placement, Globus repaid the outstanding amount on the Silaner Credit Facility in its entirety.

Each of the above mentioned warrants are exercisable for 24 months after their respective issuance. Under the terms of the warrants, all warrant holders (other than Firment Shipping Inc., which has no such restriction in its warrants) may not exercise their warrants to the extent such exercise would cause such warrant holder, together with its affiliates and attribution parties, to beneficially own a number of common shares which would exceed 4.99% (which may be increased, but not to exceed 9.99%) of our then outstanding common shares immediately following such exercise, excluding for purposes of such determination common shares issuable upon exercise of the warrants which have not been exercised. This provision, which we call the "Blocker Provision", does not limit a warrant holder from acquiring up to 4.99% of our common shares, selling all of their common shares, and re-acquiring up to 4.99% of our common shares. The warrants that we sold in February and October 2017 each contain a provision whereby the relevant holder has the right to a cashless exercise if, six months after its issuance, a registration statement covering the resale of the shares issuable thereunder is not effective. If for any reason we are unable to keep such a registration statement active, we could be required to issue shares without receiving cash consideration.

On October 19, 2017, we entered into a Share and Warrant Purchase Agreement pursuant to which we sold for \$2.5 million an aggregate of 2.5 million of our common shares and a warrant to purchase 12.5 million of our common shares at a price of \$1.60 per (subject to adjustment) share to an investor in a private placement. These securities were issued in transactions exempt from registration under the Securities Act of 1933, as amended. On that day, we also entered into a registration rights agreement with the purchaser providing it with certain rights relating to registration under the Securities Act of the 2.5 million common shares issued in connection with the October 2017 Private Placement and the common shares underlying the October 2017 Warrant.

Under the terms of the October 2017 Warrant, the warrant holder may not exercise its warrant to the extent such exercise would cause the warrant holder, together with its affiliates and attribution parties, to beneficially own a number of common shares which would exceed 4.99% (which may be increased upon no less than 61 days' notice, but not to exceed 9.99%) of our then outstanding common shares immediately following such exercise, excluding for purposes of such determination common shares issuable upon exercise of the October 2017 Warrant which have not been exercised. This provision does not limit the warrant holder from acquiring up to 4.99% of our common shares, selling all of its common shares, and re-acquiring up to 4.99% of our common shares. This "Blocker Provision" is identical to the Blocker Provision contained in the warrants purchased in February 2017 (other than in the warrants granted to Silaner Investments Limited and Firment Trading Limited, which have no such provision). The October 2017 Warrant is exercisable for 24 months after its issuance.

As of December 31, 2017, our issued and outstanding capital stock consisted of 31,630,419 common shares.

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.

In March 2016, as part of a settlement of the Kelty Loan Agreement, outstanding indebtedness of \$15.65 million was released in exchange for \$6.86 million of sale proceeds from the sale of the shares of Kelty Marine Ltd. (the owner of *m/v Energy Globe*) plus overdue interest of \$40,708. The weighted average age of the vessels we owned as of December 31, 2016 was 8.8 years, and their carrying capacity was 300,571 dwt.

Our fleet is currently comprised of a total of five dry bulk vessels consisting of one Panamax and four Supramaxes. The weighted average age of the vessels we owned as of December 31, 2017 was 9.8 years, and their carrying capacity was 300,571 dwt.

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 \$1.0 million in 2017, deferred drydocking costs of \$0.5 million in 2016, and deferred drydocking costs of \$1.6 million in 2015.

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. 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 provides consulting services for an affiliated ship-management company. 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. In 2016 our Manager had also entered into a consultancy agreement with an affiliated ship-management company, where our Manager provided consulting services to the affiliated ship-management company. This agreement terminated on January 31, 2017.

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	Artful 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, four 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.

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 time 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.

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 2017 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.

In June 2016, our Manager entered into a consultancy agreement with an affiliated ship-management company and received a \$1,000 per day fee for these services. The agreement was terminated on January 31, 2017. These fees will not be eliminated upon consolidation of our accounts.

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, 2017, we paid commissions ranging from 5% to 6.25% 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.

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.

Commissions

Commissions on bareboat charters typically range from 0% to 3.75%.

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 and Far Eastern Silo and Shipping (Panama) S.A. 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. The term "Panamax" refers to vessels that were able to pass through the Panama Canal before the Panama Canal was expanded in June 2016 (to allow vessels of up to 120,000 dwt). Panamax vessels are more versatile than larger vessels.

➤ *Kamsarmax.* 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 remained significantly depressed from 2008-2016. In 2017 there was an increasing trend and the BDI went from 685 in February 14, 2017 to as high as 1,743 in December 12, 2017. The BDI ranged from 1,125 to 1,395 within January 2018.

Vessel Prices

Newbuilding 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 our cost of doing business.

Disclosure of Activities pursuant to Section 13(r) of the U.S. Securities Exchange Act of 1934

Section 219 of the Iran Threat Reduction and Syria Human Rights Act of 2012 added Section 13(r) to the Exchange Act. Section 13(r) requires an issuer to disclose whether it or any of its affiliates knowingly engaged in certain activities, transactions or dealings relating to Iran. Disclosure is required even where the activities, transactions or dealings are conducted in compliance with applicable law. Provided in this section is information concerning the activities of us and our affiliates that occurred in 2017 and which we believe may be required to be disclosed pursuant to Section 13(r) of the Exchange Act.

In 2017, as in prior years, one or more of our vessels made a port call to Iran, and delivered or loaded grains, urea or iron ore.

In 2017, the vessel *Moon Globe* made a call to the port of Bandar Imam Khomeini on February 18, 2017, discharging corn, and remained in that port during 2017 for 35 days. During this time the *Moon Globe* was on time charter to Nidera SPA at a gross rate of \$6,150 per day.

In 2017, the vessel *River Globe* made a call to the port of Bandar Abbas on January 20, 2017, loading iron ore, and remained in that port during 2017 for seven days. During this time the *River Globe* was on time charter to Milestone Shipping S.A. at a gross rate of \$8,950 per day.

In 2017, the vessel *Sky Globe* made a call to the port of Bandar Abbas on August 29, 2017, loading iron ore, and remained in that port during 2017 for 11 days. During this time the *Sky Globe* was on time charter to Milestone Shipping S.A. at a gross rate of \$11,800 per day.

In 2017, the vessel *Sky Globe* made a call to the port of Assaluyeh on September 5, 2017, loading bulk urea, and remained in that port during 2017 for six days. During this time the *Sky Globe* was on time charter to Olam International Limited at a gross rate of \$11,500 per day.

The aggregate gross revenue attributable to these 59 days that our vessels remained in Iranian ports in 2017 was approximately \$476,700.

As we do not attribute profits to specific voyages under a time charter, we have not attributed any profits to the voyages which included these port calls. Our charter party agreements for our vessels restrict the charterers from calling in Iran in violation of U.S. sanctions, or carrying any cargo to Iran which is subject to U.S. sanctions. However, there can be no assurance that the four vessels referenced above or another of our vessels will not, from time to time in the future on charterer's instructions, perform voyages which would require disclosure pursuant to Exchange Act Section 13(r).

We do not believe that any of these transactions or activities are sanctionable. January 16, 2016 was "implementation day" under the Joint Comprehensive Plan of Action ("JCPOA") among the P5+1 (China, France, Germany, Russia, the United Kingdom, and the United States), the E.U., and Iran to ensure that Iran's nuclear program will be exclusively peaceful, and the United States and the E.U. lifted nuclear-related sanctions on Iran. All activities, transactions and dealings reported in this section occurred after the implementation date of the JCPOA. We intend to continue to charter our respective vessels to charterers and sub-charterers, including, as the case may be, Iran-related parties, who may make, or may sub-let the vessels to sub-charterers who may make, port calls to Iran, so long as the activities continue to be permissible and not sanctionable under applicable U.S. and E.U. and other applicable laws.

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 that we manage are certified as being “in class” by Nippon Kaiji Kyokai (Class NK), DNV GL or Bureau Veritas. Typically, all new and secondhand vessels that we purchase must be certified “in class” 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>	January 2021	December 2022	Class NK
<i>m/v Sky Globe</i>	November 2019	November 2019	DNV GL
<i>m/v Star Globe</i>	July 2018	May 2020	DNV GL
<i>m/v Moon Globe</i>	January 2020	November 2020	Class NK
<i>m/v Sun Globe</i>	December 2019	August 2022	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% as of January 1, 2020. 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 tier ("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. In October 2016, the MEPC approved the designation of the North Sea and the Baltic Sea as ECAs for NOx emissions. These two new NOx ECAs and the related amendments to Annex VI were adopted by IMO's MEPC in 2017 and the two new ECAs and the related amendments (with some exceptions) shall enter into effect on January 1, 2019. 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 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. The Paris Agreement has been ratified by a large number of countries and entered into force on November 4, 2016. 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. As of March 1, 2018, amendments to Annex VI will add new Regulation 22A on the collection and reporting of ship fuel oil consumption data. Under the new requirements, ships of 5,000 gross tonnage and above will have to collect consumption data for each type of fuel oil they use, as well as certain other data including proxies for transport work. The IMO has also approved a roadmap for the development of a comprehensive IMO strategy on reduction of greenhouse gas emissions from ships with an initial strategy to be adopted in 2018 (July 7, 2017 saw the MEPC agree on a draft outline of the IMO’s strategy for reducing greenhouse gas emissions in the shipping sector) and a revised strategy to be adopted in 2023.

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 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 (as amended by Regulation (EU) 2016/2071). The MRV Regulation applies to all vessels over 5,000 gross tonnage (except for a few types, such as, amongst others, warships and fish catching or fish 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 commenced 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. The EU is currently considering a proposal for the inclusion of shipping in the EU Emissions Trading System as from 2021 in the absence of a comparable system operating under the IMO. 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 is now in force and vessels are required to retrofit a Ballast Water Management System on each IOPP survey renewal after September 8, 2017. According to IMO, 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 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

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 have been 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. Further, another EU directive (Directive 2000/59/EC) requires all ships (except for warships, naval auxiliary or other state-owned or state-operated ships on non-commercial service), irrespective of flag, calling at, or operating within, ports of Member States to deliver all ship-generated waste and cargo residues to port reception facilities. Under this directive, a fee is payable by the ships for the use of the port reception facilities, including the treatment and disposal of the waste. The ships may be subject to an inspection for verification of their compliance with the requirements of the directive and penalties may be imposed for their breach.

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 later than December 31, 2018, although certain of its provisions are to apply at different stages, with certain of them applicable from December 31, 2020. On December 19, 2016, the EU Commission adopted the first version of a European List of approved ship recycling facilities meeting the requirements of the regulation, as well as four further implementing decisions dealing with certification and other administrative requirements set out in the Regulation.

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 (or the greater of \$300 per gross ton or \$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 "eNOI" 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 (to which the U.S. is not a party). 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. Ships sailing in U.S. waters are required to employ a type-approved ballast water management system which is compliant with U.S. Coast Guard regulations. As of January 2018, the USCG has issued Type Approval for six ballast water management systems, with additional systems under review. The Coast Guard will still consider requests for extensions of a vessel's compliance date if evidence is shown by the owner or operator as to why compliance is not possible.

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. The value of the SDR is based on a basket of five major currencies – the U.S. dollar, the Euro, the Chinese renminbi, the Japanese yen, and the Great British pound sterling. 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.. 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 the date of this annual report, 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 also provides consultancy services to an affiliated ship-management company. Our Manager maintains ship management agreements with each of our vessel-owning subsidiaries as well as a consultancy agreement with an affiliated ship-management company.

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 related party to us. 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. In 2016 we renewed the rental agreement at a monthly rate of €10,360 (\$10,900) with a lease period ending January 2, 2025. We do not presently own any real estate. As of December 31, 2017, we owed Cyberonica approximately \$471,000 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 managed 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 2,579,788 common 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 *m/v 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, to an unrelated third party.

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.

On October 20, 2016, we effected a four-for-one reverse stock split which reduced number of outstanding common shares from 10,510,741 to 2,627,674 shares (adjustments were made based on fractional shares).

In July 2016, we redeemed the remaining 2,567 of our Series A Preferred Shares that were issued and outstanding. In April 2012, we had issued a total of 3,347 Series A Preferred Shares, and previously redeemed 780 of these shares.

We conducted a private placement on February 8, 2017, in which we issued, for gross proceeds of \$5 million, an aggregate of 5 million common shares and warrants to purchase 25 million common shares at a price of \$1.60 per share (subject to adjustment), in a private placement to a group of private investors. The Company has used the proceeds from the sale of common shares and warrants for general corporate purposes and working capital including repayment of debt. In connection with the February, 2017 private placement, we terminated an aggregate of \$20 million of the outstanding principal and interest of the Firmint and Silaner Credit Facilities in exchange for issuing 20 million shares and warrants exercisable for 7,380,017 common shares at a price of \$1.60 per share (subject to adjustment) to nominees of the lenders. In each instance, the outstanding amounts were paid in their entirety subsequent to the close of the February 2017 private placement, but the Facilities remain available to the Company. Both lenders are related parties to the Company.

On October 19, 2017, we entered into a Share and Warrant Purchase Agreement pursuant to which we sold for \$2.5 million an aggregate of 2.5 million of our common shares and a warrant to purchase 12.5 million of our common shares at a price of \$1.60 per share (subject to adjustment) to an investor in a private placement.

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 historically 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, 2017 was 5.0, for the year ended December 31, 2016 was 5.2 and for the year ended 2015 was 6.5.

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 consultancy services to an affiliated ship-management company. Our Manager enters into a ship management agreement with each of our wholly owned vessel-owning subsidiaries to provide such services and has entered into a consultancy agreement with an affiliated ship-management company.

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 (loss)/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 generated revenues in 2017 by providing consultancy services to an affiliated ship-management company. 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.

Voyage revenues and management & consulting fee income

Our Voyage 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 Voyage revenues in 2017 increased compared to 2016 mainly due to greater daily time charter and spot rates earned on average from our vessels on a year over year basis. In 2016 and 2015 our Voyage revenues 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.

From March to June 2016, we managed a vessel that we did not own. We did not manage any vessels that we did not own in 2017 or in 2015. In January 2017 and 2016, we also provided consultancy services to an affiliated ship-management company, something we did not do in 2015. We no longer provide these services.

Employment of our Vessels

As of the date of this annual report, we employed our vessels as follows:

- *m/v Star Globe* – on a time charter that began in February 2018 and is expected to expire in April 2018, at the gross rate of \$10,500 per day.
- *m/v River Globe* – on a time charter that began in February 2018 and is expected to expire in April 2018, at the gross rate of \$8,500 per day.
- *m/v Sky Globe* – on a time charter that began in February 2018 and is expected to expire in March 2018, at the gross rate of \$6,800 per day.
- *m/v Moon Globe* – on a time charter that began in August 2017 and is expected to expire in April 2018, at the gross rate of approximately \$10,000 per day, linked to the BDI Index.
- *m/v Sun Globe* – on a time charter that began in February 2018 and is expected to expire in March 2018, at the gross rate of \$10,250 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, 2017, commissions amounted to \$0.8 million. For the year ended December 31, 2016, commissions amounted to \$0.5 million, and for the year ended December 31, 2015, commissions amounted to \$0.7 million.

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.

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. During the second quarter of 2016, we reduced the scrap rate from \$240/ton to \$200/ton due to the reduced scrap rates worldwide. This resulted to an extra depreciation expense of \$95,600 included in the consolidated statement of comprehensive (loss)/income for 2016. During the third quarter of 2017, we adjusted the scrap rate from \$200/ton to \$250/ton due to the increased scrap rates worldwide. This resulted to a reduced depreciation expense of approximately \$86,000 included in the consolidated statement of comprehensive (loss)/income for 2017.

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 (loss)/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 (loss)/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 (loss)/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 (loss)/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 (prior to its termination), the DVB Loan Agreement, the HSH Loan Agreement, the Firment Credit Facility (prior to its termination) 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, 2017, 2016 and 2015, we had \$41.7 million, \$65.8 million and \$78.6 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 Sale of Subsidiary

Gain or loss on disposal of subsidiary is the difference between (a) the carrying amount of the net assets and (b) the proceeds of sale. In 2016 we reached a settlement agreement with Commerzbank subsequent to which we disposed Kelty Marine Ltd., the owner of m/v Energy Globe. The result from the sale of Kelty Marine Ltd. was a gain of \$2,257 (including the partial write-off of the outstanding balance of the Commerzbank loan), which is classified under “Gain from sale of subsidiary” in the consolidated statement of comprehensive (loss)/income.

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 (loss)/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.

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,				
	2017	2016	2015	2014	2013
Ownership days	1,825	1,908	2,380	2,555	2,555
Available days	1,787	1,885	2,336	2,513	2,527
Operating days	1,745	1,830	2,252	2,500	2,486
Bareboat charter days	-	-	22	365	365
Fleet utilization	97.6%	97.1%	96.4%	99.5%	98.4%
Average number of vessels	5.0	5.2	6.5	7.0	7.0
Daily time charter equivalent (TCE) rate	\$ 6,993	\$ 3,962	\$ 4,333	\$ 7,969	\$ 9,961

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 Voyage Revenues to Daily Time Charter Equivalent (“TCE”) Reconciliation for the periods presented.

	Year Ended December 31,				
	(Expressed in Thousands of U.S. Dollars, except number of days and daily TCE rates)				
	2017	2016	2015	2014	2013
Voyage revenues	14,392	8,740	12,715	26,378	29,434
Less: Voyage expenses	1,892	1,271	2,384	4,254	2,892
Less: bareboat charter net revenue	-	-	304	5,006	5,006
Net revenue excluding bareboat charter net revenue	12,500	7,469	10,027	17,118	21,536
Available days net of bareboat charter days	1,787	1,885	2,314	2,148	2,162
Daily TCE rate	6,993	3,962	4,333	7,969	9,961

Results of Operations

The following is a discussion of our operating results for the year ended December 31, 2017 compared to the year ended December 31, 2016 and for the year ended December 31, 2016 compared to the year ended December 31, 2015. Variances are calculated on the numbers presented in the discussion over operating results.

Year ended December 31, 2017 compared to the year ended December 31, 2016

As of December 31, 2017 and 2016, our fleet consisted of five dry bulk vessels (four Supramaxes and one Panamax) with an aggregate carrying capacity of 300,571 dwt. During the years ended December 31, 2017 and 2016 we had an average of 5.0 and 5.2 dry bulk vessels in our fleet, respectively.

During the year ended December 31, 2017, we had an operating loss of \$4.0 million, while during the year ended December 31, 2016, we had an operating loss of \$7.2 million including a net gain of \$2.3 million from the sale of our subsidiary Kelty Marine Ltd, owner of vessel *m/v Energy Globe*.

Voyage revenues. Voyage revenues increased by \$5.7 million, or 66%, to \$14.4 million in 2017, compared to \$8.7 million in 2016. The increase is primarily attributable to an increase in average TCE rates. In 2017, we had total operating days of 1,745 and fleet utilization of 97.6%, compared to 1,830 operating days and a fleet utilization of 97.1% in 2016. We also had 1,825 ownership days in 2017 compared to 1,908 in 2016 due to the sale of vessel-owning subsidiary Kelty Marine Ltd. which owned m/v *Energy Globe* in March 2016.

Management & consulting fee income. During 2017 we earned income from management and consulting fees totaling \$31,000 compared to \$278,000 in 2016. After the sale of Kelty Marine Ltd. to its new owners, in March 2016, our Manager continued to act as Kelty Marine Ltd.'s ship manager at a rate of \$900 per day until June 2016 when it ceased being its manager. In June 2016, Globus Shipmanagement Corp., our ship management subsidiary, entered into a consultancy agreement with Eolos Shipmanagement S.A., a related party, for the purpose of providing consultancy services to Eolos Shipmanagement S.A., which was terminated on January 31, 2017. For these services we received a daily fee of \$1,000.

Voyage expenses. Voyage expenses increased by \$0.6 million, or 46%, to \$1.9 million in 2017, compared to \$1.3 million in 2016. The increase is mainly attributed to the increase in commissions due to the increased Voyage revenues.

Vessel operating expenses. Vessel operating expenses increased by \$0.4 million, or 3%, to \$9.1 million in 2017, compared to \$8.7 million in 2016. The breakdown of our operating expenses for the year 2017 was as follows:

Crew expenses	51%
Repairs and spares	24%
Insurance	8%
Stores	9%
Lubricants	5%
Other	3%

The increase is mainly attributed to the increase of the daily operating expenses of the vessels. Daily vessel operating expenses were \$5,005 in 2017 compared to \$4,533 in 2016, representing an increase of 10%. The increase is mainly attributed to the increase of the weighted average age of the vessels in our fleet from 8.8 years as of December 31, 2016 to 9.8 years as of December 31, 2017.

Depreciation. Depreciation decreased by \$0.1 million, or 2%, to \$4.9 million in 2017, compared to \$5.0 million in 2016 due to the increase of the scrap rate from \$200/ton to \$250/ton during the third quarter of 2017 due to the increased scrap rates worldwide. This resulted to a reduced depreciation expense of approximately \$86,000.

Administrative expenses payable to related parties. Administrative expenses payable to related parties increased by \$163,000, or 46%, to \$514,000 in 2017 compared to \$351,000 in 2016. This was attributed mainly to the compensation of our CEO, who is a related party to the Company.

Administrative expenses. Administrative expenses decreased by \$0.9 million, or 43% to \$1.2 million in 2017 from \$2.1 million in 2016 mainly due to the decrease in personnel expenses by \$0.4 million, from \$1.0 million in 2016 to \$0.6 million in 2017. In 2016 personnel expenses included the redemption of the 2,567 Series A Preferred Shares held by our former CEO.

Share-based payments. Share-based payments decreased for 2017 to \$40,000, from \$50,000 that was in 2016.

Gain from sale of subsidiary. In March 2016, the Company entered into an agreement with Commerzbank to sell the shares of Kelty Marine Ltd., to an unaffiliated third party and apply the total net proceeds from the sale towards the respective loan facility to settle the remaining principal amount of the loan. The financial effect from the sale of Kelty Marine Ltd. resulted to a net gain of \$2.3 million. Globus Shipmanagement Corp., the Company's ship management subsidiary continued to act as Kelty Marine Ltd.'s ship manager at a rate of \$900 per day until June 2016, when it ceased being its manager.

Interest expense and finance costs. Interest expense and finance costs decreased by \$0.5 million, or 19%, to \$2.2 million in 2017, compared to \$2.7 million in 2016. The decrease is mainly attributed to the conversion of \$20 million of outstanding principal of two loans to 20 million shares, as described in the Share and Warrant Purchase Agreement that we entered on February 8, 2017. Our weighted average interest rate for 2017 was 3.8% compared to 3.5% during 2016. Total borrowings outstanding as of December 31, 2017 amounted to \$41.7 million compared to \$65.8 million as of December 31, 2016. All of our credit and loan facilities are denominated in U.S. dollars.

Year ended December 31, 2016 compared to the year ended December 31, 2015

As of December 31, 2016, our fleet consisted of five dry bulk vessels (four Supramaxes and one Panamax) with an aggregate carrying capacity of 300,571 dwt, while 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. During the years ended December 31, 2016 and 2015 we had an average of 5.2 and 6.5 dry bulk vessels in our fleet, respectively.

During the year ended December 31, 2016, we had an operating loss of \$7.2 million including a net gain of \$2.3 million from the sale of our subsidiary Kelty Marine Ltd, owner of vessel *m/v Energy Globe*, while during the year ended December 31, 2015, we had an operating loss of \$29.7 million including an impairment loss from the sale of the vessel *m/v Tiara Globe* of \$7.7 million and impairment loss of vessel *m/v Energy Globe* of \$12.4 million.

Voyage revenues. Voyage revenues decreased by \$4 million, or 31%, to \$8.7 million in 2016, compared to \$12.7 million in 2015. The decrease is primarily attributable to a decrease in average TCE rates due to unfavorable shipping rates. In 2016, we had total operating days of 1,830 and fleet utilization of 97.1%, compared to 2,252 operating days and a fleet utilization of 96.4% in 2015. We also had 1,908 ownership days in 2016 compared to 2,380 in 2015 due to the sale of *m/v Tiara Globe* in July 2015 and the sale of vessel-owning subsidiary Kelty Marine Ltd. which owned *m/v Energy Globe* in March 2016.

Management & consulting fee income. During 2016 we earned income from management and consulting fees totaling \$278,000. After the sale of Kelty Marine Ltd. to its new owners, our Manager continued to act as Kelty Marine Ltd.'s ship manager at a rate of \$900 per day until June 2016 when it ceased being its manager. In June 2016, Globus Shipmanagement Corp., the Company's ship management subsidiary, entered into a consultancy agreement with Eolos Shipmanagement S.A., a related party, for the purpose of providing consultancy services to Eolos Shipmanagement S.A. For these services the Company receives a daily fee of \$1,000. In 2015 we did not have any such income from management and consulting fees.

Voyage expenses. Voyage expenses decreased by \$1.1 million, or 46%, to \$1.3 million in 2016, compared to \$2.4 million in 2015. The decrease is attributed to the decrease in bunkers expenses incurred during periods that our vessels were seeking employment by \$0.9 million, or 60%, to \$0.6 million in 2016, compared to \$1.5 million in 2015.

Vessel operating expenses. Vessel operating expenses decreased by \$1.6 million, or 16%, to \$8.7 million in 2016, compared to \$10.3 million in 2015. The breakdown of our operating expenses for the year 2016 was as follows:

Crew expenses	56%
Repairs and spares	20%
Insurance	9%
Stores	7%
Lubricants	5%
Other	3%

The decrease is mainly attributed to the decrease of the fleet from 6.5 vessels in 2015 to 5.2 in 2016.

Daily vessel operating expenses were \$4,553 in 2016 compared to \$4,377 in 2015, representing an increase of 4%.

Depreciation. Depreciation decreased by \$1.1 million, or 17%, to \$5 million in 2016, compared to \$6.1 million in 2015 due to the reduce of the average number of vessels, as *m/v Tiara Globe* was sold in July 2015 and the vessel-owning company of *m/v Energy Globe* was also sold in March 2016. There was a change of the scrap rate from \$335/ton to \$240/ton during the fourth quarter of 2015 as well as from \$240/ton to \$200/ton during the second quarter of 2016 due to the reduced scrap rates worldwide. This resulted to an extra depreciation expense of \$96,000 included in the consolidated statement of comprehensive (loss)/income for 2016.

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, 2016 and 2015 was nil and \$41,000, respectively. Amortization refers to the fair value of above market time charters attached to the vessel *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 the *m/v Sun Globe* expired in January 2015.

Administrative expenses payable to related parties. Administrative expenses payable to related parties decreased by \$114,000, or 25%, to \$351,000 in 2016 compared to \$465,000 in 2015. This was attributed mainly to the decrease of our rent charges.

Administrative expenses. Administrative expenses increased by \$0.3 million, or 17% to \$2.1 million in 2016 from \$1.8 million in 2015 mainly due to the redemption in 2016 of the 2,567 Series A Preferred Shares held by our former CEO.

Share-based payments. Share-based payments decreased for 2016 to \$50,000 from \$60,000 that was in 2015.

Gain from sale of subsidiary. In March 2016, the Company entered into an agreement with Commerzbank to sell the shares of Kelty Marine Ltd., to an unaffiliated third party and apply the total net proceeds from the sale towards the respective loan facility. Based on certain financial conditions agreed beforehand with Commerzbank this resulted in the remaining principal amount of the loan to be written off. The financial effect from the sale of Kelty Marine Ltd. resulted to a net gain of \$2.3 million. Globus Shipmanagement Corp., the Company's ship management subsidiary continued to act as Kelty Marine Ltd.'s ship manager at a rate of \$900 per day until June, 2016 when it ceased being its manager.

Impairment loss. We did not recognize any impairment loss in 2016. 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.

Interest expense and finance costs. Interest expense and finance costs decreased by \$0.1 million, or 4%, to \$2.7 million in 2016, compared to \$2.8 million in 2015. Our weighted average interest rate for 2016 was 3.5% compared to 3.1% during 2015. Total borrowings outstanding as of December 31, 2016 amounted to \$65.8 million compared to \$78.6 million as of December 31, 2015. All of our credit and loan facilities are denominated in U.S. dollars.

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. 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.

As of December 31, 2017, we were in compliance with the loan covenants of the agreements with the banks, as amended and in effect. However, we may not be able to meet certain of the relaxed terms included in the supplemental agreements with the banks that we entered into in 2017, including maintaining a minimum liquidity and minimum net worth and we cannot guarantee that we will be able to obtain new waivers or extensions to these waivers, if needed, when these waivers begin to expire on April 1, 2018 (in the case of the DVB Loan Agreement) and March 3, 2018 (in the case of the HSH Loan Agreement). If we are unable to obtain further waivers or extend the existing waivers or meet the terms of these loan agreements without them, we may breach covenants contained in such loan agreements constituting an event of default. If an event of default occurs under the DVB Loan Agreement or the HSH Loan Agreement, due to cross-default provisions included in these agreements, our lenders 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.

Accordingly, as we did not have an unconditional right to defer settlement of the related liability for at least twelve months after the date of the consolidated statement of financial position, the total balance of the loans outstanding to DVB Bank SE and HSH Nordbank AG of \$41.5 million at December 31, 2017, has been classified as current. As a result, as of December 31, 2017, we reported a working capital deficit of \$43.3 million and our cash flow projections indicated that cash on hand and cash provided by operating activities might not be sufficient to cover the liquidity needs that may become due in the twelve-month period ending following the issuance of these consolidated financial statements.

The above conditions raise substantial doubt about our ability to continue as a going concern. We are exploring several alternatives aiming to manage our working capital requirements and other commitments, including negotiations with our lenders to obtain waivers or to restructure the affected debt, future equity security offerings and potential sale of assets. We expect that the lenders will not demand payment of the loans before their maturity, provided that we pay scheduled loan instalments and accumulated interest as they fall due under the existing loan agreements. We plan to settle loan interest and scheduled loan repayments with cash at hand and cash expected to be generated from the operations and from financing activities. However, as there is no certainty or commitment that any of the options being considered will materialize, we may be unable to continue as a going concern and this could have an impact on our ability to realize assets at their recognized values and to extinguish liabilities in the normal course of business at the amounts stated in these consolidated financial statements.

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) FFA (i.e., Forward Freight Agreements) time charter rate for the remaining year of 2018, 2019 and 2020 respectively, 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 2008 and 2016 that were considered as extreme values, with the years 2005 and 2006. The rates were adjusted assuming an annual growth rate of 1.7% 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 3.7% every two years. 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 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.

In addition, in terms of our estimates for the charter rates for the unfixed period, we consider that the FFA for the remaining year of 2018, which is applied in our model for the first three year period, approximates historical low levels and fully reflects the conceivable downside scenario. We, however, sensitized our model with regards to freight rate assumptions for the unfixed period beyond the first three years. Our sensitivity analysis revealed that, to the extent the historical rates would not decline by more than a range of 8% to 14%, depending on the vessel, we would not require to recognize additional impairment.

Impairment losses are recognized in the consolidated statement of comprehensive (loss)/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 (loss)/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, 2017 and 2016, we did not recognize an impairment loss.

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.

Based on market observations as of December 31, 2017 and 2016, our vessels may have current market values below their carrying values. However, we believe that we will recover their carrying values through the end of their useful lives, based on their discounted cash flows.

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, 2017 and 2016, we owned and operated a fleet of five vessels, with an aggregate carrying value of \$87.3 and \$91.8 million, respectively. 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. We would not record impairment for any of the vessels for which the fair market value is below its carrying value unless and until we either determine to sell the vessel for a loss or determine that the vessel's carrying amount is not recoverable. We believe that the discounted projected net operating cash flows over the estimated remaining useful lives for our vessels exceed their carrying values as of December 31, 2017.

A vessel-by-vessel carrying value summary as of December 31, 2017 and 2016 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, 2017 (in millions of U.S. Dollars)	Carrying Value as of December 31, 2016 (in millions of U.S. Dollars)
<i>m/v River Globe</i>	53,627	2007	December 2007	57.5	16.3*	17.4*
<i>m/v Sky Globe</i>	56,855	2009	May 2010	32.8	18.7*	19.5*
<i>m/v Star Globe</i>	56,867	2010	May 2010	32.8	18.0*	19.1*
<i>m/v Sun Globe</i>	58,790	2007	September 2011	30.3	18.2*	19.3*
<i>m/v Moon Globe</i>	74,432	2005	June 2011	31.4	16.1*	16.5*
					87.3	91.8

* Indicates vessels which we believe, as of December 31, 2017 and 2016, may have fair values below their carrying values. As of December 31, 2017 and 2016, we believe that the aggregate carrying value of these five vessels was \$31.9 and \$46.3 million, respectively, more than their market value.

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. During the second quarter of 2016, we further reduced the scrap rate from \$240/ton to \$200/ton due to the reduced scrap rates worldwide. This resulted to an extra depreciation expense of \$95,600 included in the consolidated statement of comprehensive (loss)/income for 2016. During the third quarter of 2017, we adjusted the scrap rate from \$200/ton to \$250/ton due to the increased scrap rates worldwide. This resulted to a reduced depreciation expense of approximately \$86,000 included in the consolidated statement of comprehensive (loss)/income for 2017.

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 (loss)/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 recognized 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.

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 (loss)/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 (loss)/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, 2017, we had \$2.8 million of "cash and cash equivalents" in bank deposits. We had also \$0.2 million in "Restricted cash". In addition we had an amount of \$3.0 million available to be drawn under the Silaner Credit Facility, although the Silaner Credit Facility terminated in 2018 prior to the date of this annual report.

As of December 31, 2017, we had an aggregate debt outstanding of \$41.5 million, which included \$24.8 million from HSH Facility and \$16.7 million from the DVB Loan Agreement.

As of December 31, 2016, we had \$0.2 million of "cash and cash equivalents" in bank deposits. We had also \$0.2 million in "Restricted cash". In addition we had an amount of \$2.6 million available to be drawn under the Firmert Credit Facility.

As of December 31, 2016, we had an aggregate debt outstanding of \$65.6 million, which included \$25.8 million from HSH Facility, \$19.3 million from the DVB Loan Agreement, \$17.4 million from the Firmert Credit Facility issued for the purpose of financing our general working capital needs and \$3.1 million from Silaner Credit Facility.

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 for 2017 the current portion of long-term debt, amounted to a working capital deficit of \$43.3 million as of December 31, 2017 and to a working capital deficit of \$29 million as of December 31, 2016. If we are unable to satisfy our liquidity requirements, we may not be able to continue as a going concern. 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. The doubts raised relating to our ability to continue as a going concern may make our securities an unattractive investment for potential investors.

On February 8, 2017, we entered into a Share and Warrant Purchase Agreement pursuant to which we sold for \$5 million an aggregate of 5 million of our common shares and warrants to purchase 25 million of our common shares at a price of \$1.60 per share (subject to adjustment) to a number of investors in a private placement. We have used the proceeds from the sale of common shares and warrants for general corporate purposes and working capital including repayment of debt.

On October 19, 2017, we entered into a Share and Warrant Purchase Agreement pursuant to which we sold for \$2.5 million an aggregate of 2.5 million of our common shares and a warrant to purchase 12.5 million of our common shares at a price of \$1.60 per share (subject to adjustment) to an investor in a private placement. We have used part of the proceeds from the sale of common shares and warrants for general corporate purposes and working capital including repayment of debt.

In January 2016, we entered into a credit facility for up to \$3.0 million with Silaner Investments Limited, a company related to us, for the purpose of financing our general working capital needs. Any prepaid amount could be re-borrowed in accordance with the terms of the facility. As of December 31, 2017 there was no amount drawn and outstanding with respect to the Silaner Credit Facility. The Silaner Credit Facility terminated at January 12, 2018.

Because of the global economic downturn that has affected the international dry bulk industry and based on our cash flow projections for the period ending March 31, 2019, cash on hand and cash generated from operating activities will not be sufficient for us to be in compliance with the minimum liquidity requirements contained in certain of our loan and credit facilities or to cover scheduled debt payments due in this period. The period of time that we will be able to continue to operate as a going concern will depend on our ability to restructure our loan and credit arrangements and/or to finance our operations through the sale of vessels, selling securities through one or more private placement or public offerings, through incurring debt, or other financing alternatives. 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, and the remainder, if any, would be for our use, subject to the terms of our remaining loan and credit arrangements. We acknowledge that uncertainty remains over our ability to meet our liabilities as they fall due during the following twelve months.

Cash Flows

Cash and cash equivalents were \$2.8 million in bank deposits as of December 31, 2017, \$0.2 million as of December 31, 2016 and \$2.0 million as of December 31, 2015.

Restricted cash that consist of cash pledged as collateral was \$0.2 at the end of both 2017 and 2016 and \$0.5 million at the end of 2015. 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 Generated From / (Used In) Operating Activities

Net cash generated from operating activities in 2017 amounted to \$0.6 million compared to net cash used in operating activities of \$3.6 million in 2016. The increase is primarily attributable to an increase in the general shipping rates and average TCE rates achieved by the vessels in our fleet.

Net cash used in operating activities in 2016 amounted to \$3.6 million compared to net cash used in operating activities of \$0.1 million in 2015. 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 used in investing activities was \$0.3 million during the year ended December 31, 2017, which was mainly attributable to the purchase of new equipment for the vessels.

Net cash generated from investing activities was \$0.4 million during the year ended December 31, 2016, which was mainly attributable to net proceeds from the sale of one of our subsidiaries.

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 the sale of a vessel.

Net Cash Generated From / (Used in) Financing Activities

Net cash generated from financing activities during the year ended December 31, 2017 amounted to \$2.2 million and consisted of \$0.3 million in proceeds drawn from the Silaner Credit Facility entered into for financing general working capital needs and \$9.6 million proceeds drawn from the issuance of share capital, reduced by \$4.4 million of indebtedness that we repaid under our existing credit and loan facilities and \$3.3 million of interest paid.

Net cash generated from financing activities during the year ended December 31, 2016 amounted to \$1.4 million and consisted of \$5.9 million in proceeds drawn from the Firment and Silaner Credit Facilities entered into for financing general working capital needs, reduced by \$3.1 million of indebtedness that we repaid under our existing credit and loan facilities, a \$0.3 million decrease of pledged bank deposits and \$1.7 million of interest paid.

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 dividend 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.

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, 2017, 2016 and 2015, we and our vessel-owning subsidiaries had outstanding borrowings under our Credit Facility, the Kelty Loan Agreement, the DVB Loan Agreement, HSH Loan Agreement, the Firment Credit Facility and the Silaner Credit Facility of an aggregate of \$41.7 million, \$65.8 million and \$78.6 million, respectively.

Credit Facility

General

In November 2007, Globus Maritime Limited entered into a \$120.0 million secured revolving Credit Facility with Credit Suisse AG, which was supplemented from time to time. Our Credit Facility was 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*. 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 and assignment of any hedging agreement. 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 “–Credit Facility-Revisions to Credit Facility” 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 to permanently revise 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 exceeded \$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.

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.

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 \$5.8 million payable together with the 30th and last installment payable in December 2018. Subsequent to the third waiver and the fourth waiver described below, the balance outstanding at December 31, 2017, of Tranche A is payable in 3 quarterly installments of \$440,000, starting in June 2018 and a balloon payment of \$7,060,000 payable together with the 3rd and last installment payable in December 2018. As of December 31, 2017, the outstanding principal balance of Tranche A was \$8,380,000.

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 \$5.5 million payable together with the 30th and last installment payable in March 2019. Subsequent to the third waiver and the fourth waiver described below, the balance outstanding at December 31, 2017, of Tranche B is payable in 4 quarterly installments of \$416,250 and a balloon payment of \$6,677,500 payable together with the 4th and last installment payable in March 2019. As of December 31, 2017, the outstanding principal balance of Tranche B was \$8,342,500.

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, among other things, 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 and relevant account pledges.

Covenants

The DVB Loan Agreement contains financial and other covenants. We have agreed with DVB Bank to amend our loan agreement and waive certain covenants in various agreements which were memorialized by supplemental agreements in April 2013, February 2015, April 2016 and June 2017, 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”), from March 1, 2016 to March 31, 2017 (“third waiver period”) and from April 1, 2017 to April 1, 2018 (“fourth waiver period”), respectively. The covenants as in effect provide 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%. For the period from April 1, 2017 to December 31, 2017, the required percentage must equal or exceed 50% of the outstanding loan balance, for the period from January 1, 2018 to June 30, 2018 the percentage becomes 105% and after June 30, 2018 the percentage will return to 130%. As of December 31, 2017 and 2016, the aggregate fair market value of the Mortgaged vessels was approximately 146% and 91%, 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 the period from September 28, 2017 to June 14, 2018 the cash sweep will include all earnings of the vessels after operating expenses, drydocking provision and general and administrative expenses up to \$6,700 per day per vessel and after debt service, to be applied toward interest expense, deferred payments, restoration of a minimum liquidity up to \$500,000 per owner and the balloon payment in that order;
- During both the first and the second waiver periods we should have maintained 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). During the third waiver period the application of this clause was waived so long as we are not otherwise in default under the DVB Loan Agreement and no legal proceeding has been taken against us or any of our subsidiaries for an amount exceeding \$500,000. During the fourth waiver period this clause is waived. As of December 31, 2017, we maintained a net worth of approximately \$12.0 million, \$38.0 million less than the initial requirement, and cash of approximately \$2.8 million, \$2.2 million less than the initial requirement;

- During both the first and the second waiver periods the ratio of our market adjusted net worth to our total assets should have been greater than 15% (instead of 35%). During the third waiver period the application of this clause was 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 the fourth waiver period this clause is waived. As of December 31, 2017, we maintained a ratio of approximately 20%, 15% less than the initial requirement;
- 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 have paid 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.
- 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 except during the Restructuring Period. During the third waiver period this obligation was waived and the amount deposited from time to time in such Account would not have been more than \$500,000 in aggregate. During the fourth waiver period each borrower is required to maintain as minimum liquidity only the portion of excess cash up to \$500,000 in aggregate after prepayment of any deferred amount in respect of its advance ;
- Mr. George Feidakis maintain at least 35% of our total voting share capital and be a member of the board of directors. Mr. Athanasios Feidakis must remain the Chief Executive Officer;
- We maintain our listing on a major stock exchange in the United States, Europe or Asia.
- In connection to the agreement reached in March 2017 the ultimate beneficial owner of Firment Shipping Inc. provided a letter of undertaking to pledge its shares of the Company in the event of a breach of certain financial covenants during the period from January 1, 2018 to June 30, 2018.

The amendments with respect to the first waiver were 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 were 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.

The amendments with respect to the fourth waiver period were subject to a \$1.7 million prepayment by September 2017, which is the aggregated amount of two quarterly installments for each tranche, and another \$1.7 million were deferred to the balloon payment of each tranche.

As of December 31, 2017 and 2016, we were in compliance with the loan covenants of the DVB Loan Agreement, as amended and in effect.

Kelty Loan Agreement

In June 2010, our wholly owned subsidiary, Kelty Marine Ltd., entered into a \$26.7 million loan agreement, which we refer to as the 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. As described below, we reached a settlement agreement terminating the Kelty Loan Agreement in March, 2016.

The Kelty Loan Agreement had a term of seven years and was 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 was 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.

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 plus the accrued interest of \$112,000 in return of the consideration from 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 exceeded \$10 million in the aggregate as declared on June 30, 2016 then we would have been required to pay to Commerzbank any excess amounts. Because there was no excess, Globus was 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 related party to us, for the purpose of financing our general working capital needs. The Firment Credit Facility was unsecured and remained available until it expired on April 12, 2017. During December 2014 the credit limit of the facility increased from \$4.0 million to \$8.0 million and its final maturity date was extended from December 12, 2015 to April 29, 2016. During December 2015 the credit limit of the facility increased from \$8.0 million 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 related party to us. We had 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 could have been re-borrowed in accordance with the terms of the facility. Interest on drawn and outstanding amounts was charged at 5% per annum and no commitment fee was charged on the amounts remaining available and undrawn.

As of December 31, 2016 and 2015, the amounts drawn and outstanding with respect to the facility were \$17.4 million and \$14.6 million, respectively. As of December 31, 2016 and 2015, there was an amount of \$2.6 million and \$5.4 million available to be drawn under the Firment Credit Facility, respectively. As of December 31, 2016 and 2015 we were in compliance with the loan covenants of the Firment Credit Facility.

In connection with the February 2017 private placement, on February 8, 2017 Firment released an amount equal to \$16,885,000 (but left an amount equal to \$1,638,787 outstanding, which continued to accrue under the Firment Credit Facility as though it were principal) of the Firment Credit Facility and the Company issued to Firment Shipping Inc., an affiliate of Firment, 16,885,000 common shares and a warrant to purchase 6,230,580 common shares at a price of \$1.60 per share (subject to adjustment). Subsequent to the closing of the private placement, Globus repaid the outstanding amount on the Firment Credit Facility in its entirety. The Firment Credit Facility terminated in April 2017.

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 related party to us, for the purpose of financing our general working capital needs. The Silaner Credit Facility was unsecured and remained available until its final maturity date on January 12, 2018. We had the right to drawdown any amount up to \$3.0 million or prepay any amount in multiples of \$100,000. Any prepaid amount could have been re-borrowed in accordance with the terms of the facility. Interest on drawn and outstanding amounts was charged at 5% per annum and no commitment fee is charged on the amounts remaining available and undrawn. As of December 31, 2016, the amount drawn and outstanding with respect to the facility was \$3.1 million, which amount was approved by our board. As of December 31, 2017, the amount drawn and outstanding with respect to the facility was \$0. As of December 31, 2017 and 2016 we were in compliance with the loan covenants of the Silaner Credit Facility.

In connection with the February 2017 private placement, on February 8, 2017 Silaner released an amount equal to the outstanding principal of \$3,115,000 (but left an amount equal to \$74,048 outstanding, which continued to accrue under the Silaner Credit Facility as though it were principal) of the Silaner Credit Facility and the Company issued to Firment Shipping Inc., an affiliate of Silaner, 3,115,000 common shares and a warrant to purchase 1,149,437 common shares at a price of \$1.60 per share (subject to adjustment). Subsequent to the closing of the private placement, Globus repaid the outstanding amount on the Silaner Credit Facility in its entirety. The Silaner Credit Facility terminated in January 2018.

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, 2017 was \$7,051,092 payable in 8 equal quarterly installments of \$239,115 starting in March 2018, as well as a balloon payment of \$5,138,172 due together with the 8th 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, 2017 was \$8,616,667 payable in 8 equal quarterly installments of \$230,000 starting in March 2018, as well as a balloon payment of \$6,776,667 due together with the 8th 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, 2017 was \$9,269,267 payable in 8 equal quarterly installments of \$224,480 starting in March 2018, as well as a balloon payment of \$7,473,427 due together with the 8th 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, among other things, 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, among 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, except during the period from June 3, 2016 ending March 3, 2018 during which this requirement is waived. As of December 31, 2017, Globus had a net worth of approximately \$12.0 million, \$18.0 million less than the initial requirement,
- 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, except during the period from June 3, 2016 ending March 3, 2018 during which this requirement is waived. As of December 31, 2017, Globus had a ratio of approximately 6.6% of its consolidated indebtedness; and
- the borrowers are restricted from making dividends so long as any amount that was payable in 2017 and deferred as described below remains outstanding.

On July 10, 2017, the Company reached an agreement with HSH Nordbank AG to amend the HSH Loan including amendments to relax or waive certain covenants of the original loan agreement until March 3, 2018. The Company paid in September 2017 \$1 million for prepayment of debt and the four scheduled principal installments due within 2017, each amounting to \$693,595, were deferred to the balloon payment. In addition, we also undertook the liability to raise new equity of at least \$1,800,000 which has been satisfied.

All of the Company's loan and credit arrangements with unaffiliated third parties (this excludes the Silaner Credit Facility, which is affiliate 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.

In June and July 2017, we entered into supplemental agreements with DVB Bank SE and HSH Nordbank AG, respectively.

As of December 31, 2017, we were in compliance with the loan covenants included in its loan agreements with HSH Nordbank AG and DVB Bank SE, as amended and in effect. However, we may not be able to meet certain of the relaxed terms included in the supplemental agreements with the banks, including maintaining a minimum liquidity and minimum net worth once the waivers expire and cannot guarantee that we will be able to obtain new waivers or extensions to these waivers. If we are unable to obtain further waivers or extend the existing waivers or meet the terms of these loan agreements without them, we may breach covenants contained in such loan agreements constituting an event of default. If an event of default occurs under the DVB Loan Agreement or the HSH Loan Agreement, due to cross-default provisions included in these agreements, our lenders 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.

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, 2017, 2016 and 2015, we did not use 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 as of December 31, 2017, assuming the banks will not demand the repayment of the loans before maturity:

	<u>Less than 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	12,403	29,257	-	-	41,660
Interest on long term debt	1,731	1,029	-	-	2,760
Lease payments	149	298	298	299	1,044

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 2020, 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 2019. 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	Director, Chairman of the Board of Directors	67
Ioannis Kazantzidis	Director	67
Jeffrey O. Parry	Director	58
Athanasios Feidakis	Director, President, Chief Executive Officer, Chief Financial Officer	31
Olga Lambrianidou	Secretary	62

Georgios (“George”) Feidakis, a Class III director, is our 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 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, Italy and UK. FG Europe is also active in the air-conditioning and white/brown electric goods market in Greece and ten other countries in Europe as well as in the production of renewal energy. 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. As of January 31, 2017, Mr. Feidakis was the majority shareholder of Eolos Shipmanagement SA.

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. Athanasios Feidakis was also appointed our President, CEO and CFO. From October 2011 through June 2013, Mr. Athanasios 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 April 2016, Mr. Athanasios Feidakis was 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, Italy and UK. From December 2008 to December 2015, Mr. Athanasios Feidakis was 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.

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.

Ioannis Kazantzidis, a Class I director, was appointed to our board in November, 2016 to fill a vacancy in our board of directors. Mr. Kazantzidis has been the principal of Porto Trans Shipping LLC, a shipping and logistics company based in the United Arab Emirates, since 2007. Between 1987 to 2007, Mr. Kazantzidis was with HSBC Group, where he served in managerial positions participating in the development and implementation of financial systems in multiple locations. Mr. Kazantzidis has since 2009 been a Director of Saeed Mohammed Heavy Equipment Trading LLC, a general trading company, and a senior partner in Porto Trans Auto Services Company, both based in Jebel Ali, UAE. Mr. Kazantzidis has served as the Chairman of Nazaki Corporation, a private investment company based in the British Virgin Islands, since 1988. Mr. Kazantzidis has served, since 2015, as the Chairman of W.M.Mendis Hotel Pvt Ltd in the Republic of Sri Lanka. From 1989 to 2015, he was the Chairman of Fishermans Wharf Pvt Ltd, and a director of Dow Corning Lanka Pvt Ltd from 2000 to 2013 and Propasax Pvt Ltd from 2010 to 2015.

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 Globus, Ms. Lambrianidou was the Corporate Secretary and Investor Relations Officer of NewLead 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.

*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.

The Company is not aware of any agreements or arrangements between any director and any person or entity other than the Company relating to the Compensation or other payments in connection with such director’s candidacy or service as a director of the Company.

B. Compensation

The aggregate compensation paid to members of our senior management or a consulting company for which an executive officer is an owner in 2017 was approximately \$0.2 million and for 2016 and 2015 was approximately \$0.1 million for each year. In addition, our senior management received no shares in 2017, 2016 and 2015. 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.”

On August 18, 2016, the Company entered into a consultancy agreement with an affiliated company of our CEO, Mr. Athanasios Feidakis, for the purpose of providing consulting services to the Company in connection with the Company's international shipping and capital raising activities, including but not limited to assisting and advising the Company's CEO. The annual fees for the services provided amount to Euro 200,000. The consultant shall be eligible to receive bonus compensation (whether in the form of cash and/or equity and/or quasi-equity awards) for the services provided and such bonus shall be determined by the Remuneration Committee or the Board of the Company. In 2017, the aggregate remuneration for all executive officers amounted to approximately \$229,000 and in 2016 to approximately \$97,000.

The aggregate compensation other than share based compensation paid to our non-executive directors in 2017 was approximately \$352,000 and for 2016 and 2015 was nil. In addition, in 2017, 2016 and 2015, non-executive directors received an aggregate of 20,937 common shares, 34,580 common shares and 18,372 common shares, respectively. As of December 31, 2017 we had not yet paid our non-executive directors the cash amounts that we agreed to pay them for their service to us in 2017; such amount in the aggregate is approximately approximately \$126,250. In 2018 to date, we have paid \$30,000 of this outstanding amount.

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, 2017 a non-current liability of \$82,214 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. Kazantzidis and Mr. Parry \$20,000 in common shares annually. 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. Ioannis Kazantzidis 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 of directors as a Class I director whose term will expire at the Company's 2020 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 Ioannis Kazantzidis 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 Ioannis Kazantzidis 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 Ioannis Kazantzidis. 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 our Chief Executive Officer, he has a substantial vested interest in our success and his particular input will significantly aid and assist us.

The Nomination Committee is comprised of George Feidakis, Ioannis Kazantzidis 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, 2017, we had eleven full-time employees and one consultant that we hired directly. All of our 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 or, in certain circumstances, our board of directors. 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. The EIP was amended August 12, 2016 to clarify that the full board of directors may act as plan administrator.

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 (which could be the full board of directors itself). 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 cancelled, 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.

2017, 2016, 2015 Grants

No awards were granted pursuant to the equity incentive plan during the years ended December 31, 2017, 2016 and 2015, but we issued shares directly to our 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 March 8, 2018 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 32,013,967 common shares outstanding on March 8, 2018. 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 March 8, 2018	Percentage of common shares beneficially owned as of March 8, 2018 (1)
5% Beneficial Owners		
United Capital Investments Corp. (2)	15,000,000	33.7%
Officers and Directors		
George Feidakis (3)	25,959,334	65.9%
Ioannis Kazantzidis	10,243	*0%
Jeffrey O. Parry	13,427	*0%
Athanasios Feidakis	118,864	*0%
All executive officers and directors as a group	26,101,868	66.26%(4)

*Less than 1.0% of the outstanding shares.

(1) In the case of United Capital Investments Corp. and Mr. George Feidakis, these percentages assume the full exercise of the warrants they are each beneficially deemed to own and no exercise of warrants held by any other warrant holder. United Capital Investments Corp.'s warrant contain a blocker provision which prohibits its exercise to the extent such exercise would cause United Capital Investments Corp., together with its affiliates and attribution parties, to beneficially own a number of common shares which would exceed 4.99% (which may be increased, but not to exceed 9.99%) of our then outstanding common shares following such exercise, excluding for purposes of such determination common shares issuable upon exercise of the warrants which have not been exercised. In making the calculations above, we have assumed that this "Blocker Provision" did not exist.

(2) United Capital Investments Corp. beneficially owns (a) 2,500,000 common shares, a Liberian corporation, and (b) 12,500,000 common shares issuable upon the exercise of warrant acquired in the October 2017 SPA. To the Company's knowledge, United Capital Investments Corp. did not own any shares in the three years prior to the October 2017.

(3) Mr. George Feidakis beneficially owns (a) 18,579,317 common shares through Firment Shipping Inc., a Marshall Islands corporation for which he exercises sole voting and investment power and (b) 7,380,017 common shares issuable upon the exercise of warrants held by Firment Shipping Inc. Mr. George Feidakis and Firment Shipping Inc., disclaim beneficial ownership over such common shares except to the extent of their pecuniary interests in such shares. The warrants held by Firment Shipping Inc. do not contain the "Blocker Provision".

When we filed our annual report for the years ended 2016 and 2017, Mr. George Feidakis beneficially owned 43.4% and 58.7% of our common shares, respectively. As part of the February 2017 private placement, Firment Shipping Inc. acquired 20 million shares and warrants to purchase 7,380,017 common shares. Public filings indicate that in 2017 Firment Shipping Inc. sold 1,420,683 common shares.

(4) Includes common shares acquirable within 60 days upon exercise of warrants owned by Firment Shipping Inc.

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, other than the warrants described above.

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 2017, 2016 and 2015 fiscal years, we incurred rents of \$140,000, \$138,000 and \$195,000, 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, 2017, we owed \$471,000 in back 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.

February 2017 Private Placement

On February 8, 2017, we entered into a Share and Warrant Purchase Agreement pursuant to which we sold for \$5 million an aggregate of 5 million of our common shares and warrants to purchase 25 million of our common shares at a price of \$1.60 per share (subject to adjustment) to four investors in a private placement. These securities were issued in transactions exempt from registration under the Securities Act. The following day, we entered into a registration rights agreement with the Purchasers providing them with certain rights relating to registration under the Securities Act of the Shares and the common shares underlying the Warrants. One of the investors was the sister of our CEO and daughter of our chairman.

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 related party to us, for the purpose of financing our general working capital needs. The Firment Credit Facility was unsecured and remained available until it terminated on April 29, 2016. During December 2014 the credit limit of the facility increased from \$4.0 million to \$8.0 million and its final maturity date was extended from December 12, 2015 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 related party to us. We had 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 could have been re-borrowed in accordance with the terms of the facility. Interest on drawn and outstanding amounts was charged at 5% per annum and no commitment fee is charged on the amounts remaining available and undrawn.

As of December 31, 2016 and 2015, the amounts drawn and outstanding with respect to the facility were \$17.4 million and \$14.6 million, respectively. As of December 31, 2016 and 2015, there was an amount of \$2.6 million and \$5.4 million available to be drawn under the Firment Credit Facility, respectively. As of December 31, 2016 and 2015 we were in compliance with the loan covenants of the Firment Credit Facility.

In connection with the February 2017 private placement, on February 8, 2017 Firment released an amount equal to \$16,885,000 (but left an amount equal to \$1,638,787 outstanding, which continued to accrue under the Firment Credit Facility as though it were principal) of the Firment Credit Facility and the Company issued to Firment Shipping Inc., an affiliate of Firment, 16,885,000 common shares and a warrant to purchase 6,230,580 common shares at a price of \$1.60 per share (subject to adjustment). Subsequent to the closing of the private placement, Globus repaid the outstanding amount on the Firment Credit Facility in its entirety.

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 related party to us, for the purpose of financing our general working capital needs. The Silaner Credit Facility was unsecured and remained available until it terminated on January 12, 2018. We had the right to drawdown any amount up to \$3.0 million or prepay any amount in multiples of \$100,000. Any prepaid amount could have been 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 was charged on the amounts remaining available and undrawn. As of December 31, 2016, the amount drawn and outstanding with respect to the facility was \$3.1 million, which amount has been approved by our board. As of December 31, 2017 and 2016 we were in compliance with the loan covenants of the Silaner Credit Facility.

In connection with the February 2017 private placement, on February 8, 2017 Silaner released an amount equal to the outstanding principal of \$3,115,000 (but left an amount equal to \$74,048 outstanding, which continued to accrue under the Silaner Credit Facility as though it were principal) of the Silaner Credit Facility and the Company issued to Firment Shipping Inc., an affiliate of Silaner, 3,115,000 common shares and a warrant to purchase 1,149,437 common shares at a price of \$1.60 per share (subject to adjustment). Subsequent to the closing of the private placement, Globus repaid the outstanding amount on the Silaner Credit Facility in its entirety.

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 2016, we entered into a registration rights agreement with Firment Trading Limited, pursuant to which we granted to them and their affiliates (including Mr. George Feidakis 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.

Consulting Agreements

On August 18, 2016, the Company entered into a consultancy agreement with an affiliated company of our CEO, Mr. Athanasios Feidakis, for the purpose of providing consulting services to the Company in connection with the Company's international shipping and capital raising activities, including but not limited to assisting and advising the Company's CEO.

In June 2016, our Manager, entered into a consultancy agreement with Eolos Shipmanagement S.A., a related party, for the purpose of providing consultancy services to Eolos Shipmanagement S.A. For these services our Manager receives a daily fee of \$1,000. This agreement terminated on January 31, 2017. For 2017 and 2016 the total income from these fees amounted to \$31,000 and \$187,000, respectively, and is classified in the income statement component of the consolidated statement of comprehensive (loss)/income under management & consulting fee income.

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, to the extent any are outstanding.

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, 2017, 2016 and 2015.

No dividends were declared on our Series A Preferred Shares during the year ended December 31, 2016. The Series A Preferred Shares were redeemed in 2016 and no Series A Preferred Shares are outstanding as of December 31, 2016 and 2017.

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

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

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

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

On February 8, 2017, we entered into a Share and Warrant Purchase Agreement pursuant to which we sold for \$5 million an aggregate of 5 million of our common shares and warrants to purchase 25 million of our common shares at a price of \$1.60 per share (subject to adjustment) to a number of investors in a private placement. These securities were issued in transactions exempt from registration under the Securities Act. The following day, we entered into a registration rights agreement with the Purchasers providing them with certain rights relating to registration under the Securities Act of the Shares and the common shares underlying the Warrants.

In connection with the closing of the February 2017 private placement, we also entered into two loan amendment agreements with existing lenders.

One loan amendment agreement was entered into by the Company with Firmment Trading Limited, a related party to the Company and the lender of the Firmment Credit Facility, which then had an outstanding principal amount of \$18,523,787. Firmment released an amount equal to \$16,885,000 (but left an amount equal to \$1,638,787 outstanding, which continued to accrue under the Firmment Credit Facility as though it were principal) of the Firmment Credit Facility and the Company issued to Firmment Shipping Inc., an affiliate of Firmment, 16,885,000 common shares and a warrant to purchase 6,230,580 common shares at a price of \$1.60 per share (subject to adjustment). Subsequent to the closing of the February 2017 private placement, Globus repaid the outstanding amount on the Firmment Credit Facility in its entirety.

The other loan amendment agreement was entered into by the Company with Silaner Investments Limited, a related party to the Company and the lender of the Silaner Credit Facility. Silaner released an amount equal to the outstanding principal of \$3,115,000 (but left an amount equal to \$74,048 outstanding, which continued to accrue under the Silaner Credit Facility as though it were principal) of the Silaner Credit Facility and the Company issued to Firmment Shipping Inc., an affiliate of Silaner, 3,115,000 common shares and a warrant to purchase 1,149,437 common shares at a price of \$1.60 per share (subject to adjustment). Subsequent to the closing of the February 2017 private placement, Globus repaid the outstanding amount on the Silaner Credit Facility in its entirety.

Each of the above mentioned warrants are exercisable for 24 months after their respective issuance. Under the terms of the warrants, all warrant holders (other than Firmment Shipping Inc., which has no such restriction in its warrants) may not exercise their warrants to the extent such exercise would cause such warrant holder, together with its affiliates and attribution parties, to beneficially own a number of common shares which would exceed 4.99% (which may be increased, but not to exceed 9.99%) of our then outstanding common shares immediately following such exercise, excluding for purposes of such determination common shares issuable upon exercise of the warrants which have not been exercised. This provision, which we call the "Blocker Provision", does not limit a warrant holder from acquiring up to 4.99% of our common shares, selling all of their common shares, and re-acquiring up to 4.99% of our common shares. The warrants that we sold in February and October 2017 each contain a provision whereby the relevant holder has the right to a cashless exercise if, six months after its issuance, a registration statement covering the resale of the shares issuable thereunder is not effective. If for any reason we are unable to keep such a registration statement active, we could be required to issue shares without receiving cash consideration.

On October 19, 2017, we entered into a Share and Warrant Purchase Agreement pursuant to which we sold for \$2.5 million an aggregate of 2.5 million of our common shares and a warrant to purchase 12.5 million of our common shares at a price of \$1.60 per share (subject to adjustment) to an investor in a private placement. These securities were issued in transactions exempt from registration under the Securities Act of 1933, as amended. On that day, Company also entered into a registration rights agreement with the purchaser providing it with certain rights relating to registration under the Securities Act of the 2.5 million common shares issued in connection with the October 2017 Private Placement and the common shares underlying the October 2017 Warrant.

Under the terms of the October 2017 Warrant, the warrant holder may not exercise its warrant to the extent such exercise would cause the warrant holder, together with its affiliates and attribution parties, to beneficially own a number of common shares which would exceed 4.99% (which may be increased upon no less than 61 days' notice, but not to exceed 9.99%) of our then outstanding common shares immediately following such exercise, excluding for purposes of such determination common shares issuable upon exercise of the October 2017 Warrant which have not been exercised. This provision does not limit the warrant holder from acquiring up to 4.99% of our common shares, selling all of their common shares, and re-acquiring up to 4.99% of our common shares. This "Blocker Provision" is identical to the Blocker Provision contained in the warrants purchased in February 2017 (other than in the warrants granted to Silaner Investments Limited and Firmment Trading Limited, which have no such provision). The October 2017 Warrant is exercisable for 24 months after its issuance.

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.

On October 20, 2016, we effected a four-for-one one reverse stock split which reduced number of outstanding common shares from 10,510,741 to 2,627,674 shares (adjustments were made based on fractional shares).

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 eight 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. Pre-October 2016 prices reflect the reverse stock split that occurred in October, 2016.

Period Ended	High	Low
Monthly		
March 2018 (through and including March 8, 2018)	\$ 1.14	\$ 0.99
February 2018	\$ 1.20	\$ 1.00
January 2018	\$ 1.37	\$ 1.17
December 2017	\$ 1.47	\$ 1.08
November 2017	\$ 1.88	\$ 0.91
October 2017	\$ 1.06	\$ 0.92
September 2017	\$ 0.97	\$ 0.91
Quarterly		
Fourth Quarter 2017	\$ 1.88	\$ 0.91
Third Quarter 2017	\$ 1.36	\$ 0.91
Second Quarter 2017	\$ 4.41	\$ 0.91
First Quarter 2017	\$ 10.77	\$ 3.07
Fourth Quarter 2016	\$ 14.23	\$ 1.66
Third Quarter 2016	\$ 3.28	\$ 1.64
Second Quarter 2016	\$ 5.16	\$ 1.00
First Quarter 2016	\$ 0.88	\$ 0.24
Yearly		
2017	\$ 10.77	\$ 0.91
2016	\$ 7.09	\$ 0.20
2015	\$ 10.16	\$ 0.60
2014	\$ 17.76	\$ 8.88
2013	\$ 16.84	\$ 6.80

Our articles of incorporation do not permit the issuance of bearer shares.

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, but as of December 31, 2016 and as of the date hereof no Series A Preferred Shares were 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 and the remaining 2,567 were redeemed and cancelled in July 2016.

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 are not convertible into any other shares of our capital stock. Each of our Class B shares is 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 are 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 the following 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

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 or exchange 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 or any sale or exchange of all or substantially all of the property and assets of the corporation not made in the usual course of its business, 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. In October, 2016 we amended our articles of incorporation in order to enable us to immediately effect a four-for-one one reverse stock split, reducing the number of outstanding common shares from 10,510,741 to 2,627,674 shares (adjustments were made based on fractional 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 no outstanding 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

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 (i.e., 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

We are not aware, under Marshall Islands law, of any 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, transactions or operations in the Marshall Islands.

Because we do not, and we do not expect that we or any of our future subsidiaries will, conduct business, transactions 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. 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 meet 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, 2017, 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 vote or value 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 their 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, 2017, 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.

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 are listed on the Nasdaq Capital Market. The Nasdaq Capital Market is a tier 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 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 their 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, 2017.

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 are regularly traded on the Nasdaq Capital Market, which is an established securities market. 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 their 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 may be less favorable than those of a QEF election for United States Holders that are sensitive to the distinction between ordinary income and capital gain.

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.

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”. However, a United States Holder may elect to treat inclusions of income and gain from a QEF election 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.

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.

Individual United States Holders who hold certain specified foreign assets with values in excess of certain dollar thresholds are required to report such assets on IRS Form 8938 with their U.S. federal income tax return, subject to certain exceptions (including an exception for foreign assets held in accounts maintained by financial institutions). Stock in a foreign corporation, including our common shares, is a specified foreign asset for this purpose. Penalties apply for failure to properly complete and file Form 8938. You should consult your tax advisor regarding the filing of this form. United States Holders of common shares may be required to file additional forms with the IRS under the applicable reporting provisions of the Code. You should consult your tax advisor regarding the filing of any such forms.

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 DVB Bank and HSH. As of December 31, 2017, we had a \$16.7 million principal balance outstanding under the DVB Loan Agreement with DVB Bank and a \$24.9 million principal balance outstanding under the HSH Loan Agreement.

Interest costs incurred under our loan arrangements are included in our consolidated statement of comprehensive (loss)/income.

In 2017, the weighted average interest rate for our then-outstanding facilities in total was 3.8% and the respective interest rates on our loan agreements ranged from 3.4% to 4.5%, 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, 2017 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
2018	\$ 0.4 million
2019	\$ 0.2 million
2020	\$ -
2021	\$ -
2022	\$ -

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. When 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. However, all of our vessels are employed on time charter contracts, where the fuel costs are assumed by our customers.

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**

Not Applicable.

Item 14. Material Modifications to the Rights of Security Holders and Use of Proceeds

Not Applicable.

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, 2017 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 Ioannis Kazantzidis 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

Ernst & Young (Hellas) Certified Auditors Accountants S.A., an independent registered public accounting firm, has audited our annual financial statements acting as our independent auditor for the fiscal years ended December 31, 2017 and 2016. This table below sets forth the total amounts billed and accrued for Ernst & Young services and breaks down the amounts by category of services:

	2017	2016
Audit Fees	\$ 118,000	\$ 111,000
Audit-Related Fees	-	-
Tax Fees	-	-
All Other Fees	\$ 4,500	\$ 4,500
Total	\$ 122,500	\$ 115,500

Audit fees for the years ended December 31, 2017 and 2016 were paid in Euros, and we assume an exchange rate of 0.88€/€ and 0.8997€/€ for 2017 and 2016, 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

Affiliated Purchaser Purchases of Equity Securities

Period	(a) Total Number of Shares Purchased	(b) Average Price Paid per Share	(c) Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	(d) Maximum Number (or Approximate Dollar Value) of Shares (or Units) that May Yet Be Purchased Under the Plans or Programs
February 1-28, 2017	20,000,000(1)	\$ 1.00(1)	N/A	N/A

(1) Figure excludes 7,380,017 common shares issuable upon exercise of warrants, which warrants have a \$1.60 strike price.

There is no share repurchase plan or program by the Company. In connection with the closing of the February 2017 private placement, we entered into two loan amendment agreements with existing lenders who are beneficially owned by our Chairman and majority shareholder, Mr. George Feidakis.

One loan amendment agreement was entered into by the Company with Firmment Trading Limited, a related party to the Company and the lender of the Firmment Credit Facility, which then had an outstanding principal amount of \$18,523,787. Firmment released an amount equal to \$16,885,000 (but left an amount equal to \$1,638,787 outstanding, which continued to accrue under the Firmment Credit Facility as though it were principal) of the Firmment Credit Facility and the Company issued to Firmment Shipping Inc., an affiliate of Firmment, 16,885,000 common shares and a warrant to purchase 6,230,580 common shares at a price of \$1.60 per share (subject to adjustment).

The other loan amendment agreement was entered into by the Company with Silaner Investments Limited, a related party to the Company and the lender of the Silaner Credit Facility. Silaner released an amount equal to the outstanding principal of \$3,115,000 (but left an amount equal to \$74,048 outstanding, which continued to accrue under the Silaner Credit Facility as though it were principal) of the Silaner Credit Facility and the Company issued to Firmment Shipping Inc., an affiliate of Silaner, 3,115,000 common shares and a warrant to purchase 1,149,437 common shares at a price of \$1.60 per share (subject to adjustment). Each of the above mentioned warrants are exercisable for 24 months after their respective issuance.

To date, no issuances have occurred pursuant to the warrants issued to Firmment Shipping Inc.

Item 16F. Change in Registrant's Certifying Accountant

None.

Item 16G. Corporate Governance

In lieu of obtaining an independent review of related party transactions for conflicts of interests, consistent with Marshall Islands law requirements, a related party transaction will be permitted if: (i) 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 or committee, and the board 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 (ii) if 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. Article VI of our articles of incorporation further limit our ability to enter into business transactions with interested shareholders.

As a foreign private issuer, we are not required to solicit proxies or provide proxy statements to Nasdaq pursuant to Nasdaq corporate governance rules or Marshall Islands law. Consistent with Marshall Islands law, we will notify our shareholders of meetings between 15 and 60 days before the meeting. This notification will contain, among other things, information regarding business to be transacted at the meeting. In addition, our bylaws provide that certain shareholders must give us advance notice to properly introduce any business at a meeting of the shareholders. Our bylaws also provide that shareholders may designate in writing a proxy to act on their behalf.

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\)](#)
- [1.4](#) [Articles of Amendment of the Articles of Incorporation of Globus Maritime Limited, dated October 17, 2016 \(incorporated by reference to Exhibit 1.4 to Globus Maritime Limited's Annual Report on Form 20-F \(Reg. No. 001-34985\) filed on April 11, 2017\)](#)
- [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](#) [Globus Maritime Limited 2012 Equity Incentive Plan amended August 12, 2016 and April 9, 2017 \(incorporated by reference to Exhibit 4.7 to Globus Maritime Limited's Annual Report on Form 20-F \(Reg. No. 001-34985\) filed on April 11, 2017\)](#)
- [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 \(incorporated by reference to Exhibit 4.17 to Globus Maritime Limited's Annual Report on Form 20-F \(Reg. No. 001-34985\) filed on April 29, 2016\)](#)
- [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 \(incorporated by reference to Exhibit 4.18 to Globus Maritime Limited's Annual Report on Form 20-F \(Reg. No. 001-34985\) filed on April 29, 2016\)](#)

- [4.19 Agreement for a Revolving Credit Facility dated January 12, 2016 between Globus Maritime Limited and Silaner Investments Limited \(incorporated by reference to Exhibit 4.19 to Globus Maritime Limited's Annual Report on Form 20-F \(Reg. No. 001-34985\) filed on April 29, 2016\)](#)
- [4.20 Settlement Agreement among Commerzbank Aktiengesellschaft, Kelty Marine Ltd. and Globus Maritime Limited dated March 21, 2016 \(incorporated by reference to Exhibit 4.20 to Globus Maritime Limited's Annual Report on Form 20-F \(Reg. No. 001-34985\) filed on April 29, 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 \(incorporated by reference to Exhibit 4.21 to Globus Maritime Limited's Annual Report on Form 20-F \(Reg. No. 001-34985\) filed on April 29, 2016\)](#)
- [4.22 Private Sublease Agreement dated January 2, 2016 between Globus Maritime Limited and Cyberonica S.A. \(incorporated by reference to Exhibit 4.23 to Globus Maritime Limited's Annual Report on Form 20-F \(Reg. No. 001-34985\) filed on April 11, 2017\)](#)
- [4.23 Share and Warrant Purchase Agreement dated February 8, 2017 between Globus Maritime Limited and the Purchasers listed on Schedule A thereto \(incorporated by reference to Exhibit 10.1 to Globus Maritime Limited's Report on Form 6-K \(Reg. No. 001-34985\) furnished on February 9, 2016\)](#)
- [4.24 Registration Rights Agreement between Globus Maritime Limited and the Purchasers dated February 9, 2017 \(incorporated by reference to Exhibit 10.2 to Globus Maritime Limited's Report on Form 6-K \(Reg. No. 001-34985\) furnished on February 9, 2016\)](#)
- [4.25 Amendment to Loan Agreement dated February 8, 2017 between Globus Maritime Limited and Firment Trading Limited \(incorporated by reference to Exhibit 10.3 to Globus Maritime Limited's Report on Form 6-K \(Reg. No. 001-34985\) furnished on February 9, 2016\)](#)
- [4.26 Amendment to Loan Agreement dated February 8, 2017 between Globus Maritime Limited and Silaner Investments Limited \(incorporated by reference to Exhibit 10.4 to Globus Maritime Limited's Report on Form 6-K \(Reg. No. 001-34985\) furnished on February 9, 2016\)](#)
- [4.27 Form of Warrant issued to each Purchaser \(incorporated by reference to Exhibit 10.5 to Globus Maritime Limited's Report on Form 6-K \(Reg. No. 001-34985\) furnished on February 9, 2016\)](#)
- [4.28 Warrant dated February 8, 2017 issued to nominee of Firment Trading Limited \(incorporated by reference to Exhibit 10.6 to Globus Maritime Limited's Report on Form 6-K \(Reg. No. 001-34985\) furnished on February 9, 2016\)](#)
- [4.29 Warrant dated February 8, 2017 issued to nominee of Silaner Investments Limited \(incorporated by reference to Exhibit 10.7 to Globus Maritime Limited's Report on Form 6-K \(Reg. No. 001-34985\) furnished on February 9, 2016\)](#)

- [4.30](#) [Schedule to Exhibit 4.27 \(Regarding Material Differences in Issued Warrants\) \(incorporated by reference to Exhibit 10.8 to Globus Maritime Limited's Report on Form 6-K \(Reg. No. 001-34985\) furnished on February 9, 2016\)](#)
- [4.31](#) [Supplemental Agreement relating to a loan of up to US\\$30,000,000 to Devocean Maritime Ltd., Domina Maritime Ltd., and Dulac Maritime S.A., arranged by HSH Nordbank AG, with HSH Nordbank AG as Agent, HSH Nordbank AG as Security Agent, guaranteed by Globus Maritime Limited, dated December 5, 2016 \(incorporated by reference to Exhibit 4.32 to Globus Maritime Limited's Annual Report on Form 20-F \(Reg. No. 001-34985\) filed on April 11, 2017\)](#)
- [4.32](#) [Share and Warrant Purchase Agreement dated October 19, 2017 between Globus Maritime Limited and the Purchaser listed on Schedule A thereto \(incorporated by reference to Exhibit 10.1 to Globus Maritime Limited's Report on Form 6-K \(Reg. No. 001-34985\) furnished on October 19, 2017\)](#)
- [4.33](#) [Registration Rights Agreement between Globus Maritime Limited and the Purchaser dated October 19, 2017 \(incorporated by reference to Exhibit 10.2 to Globus Maritime Limited's Report on Form 6-K \(Reg. No. 001-34985\) furnished on October 19, 2017\)](#)
- [4.34](#) [Warrant issued to United Capital Investments Corp. \(incorporated by reference to Exhibit 10.3 to Globus Maritime Limited's Report on Form 6-K \(Reg. No. 001-34985\) furnished on October 19, 2017\)](#)
- [4.35](#) [Fifth Supplemental Agreement to Loan Agreement among DVB Bank SE, Artful Shipping S.A., Longevity Maritime Limited, Globus Maritime Limited and Globus Shipmanagement Corp., dated June 23, 2017 \(incorporated by reference to Exhibit 10.1 to Globus Maritime Limited's Report on Form 6-K \(Reg. No. 001-34985\) furnished on December 15, 2017\)](#)
- [4.36](#) [Second Supplemental Agreement relating to a loan of up to US\\$30,000,000 to Devocean Maritime Ltd., Domina Maritime Ltd., and Dulac Maritime S.A., arranged by HSH Nordbank AG, with HSH Nordbank AG as Agent, HSH Nordbank AG as Security Agent, guaranteed by Globus Maritime Limited, dated July 10, 2017 \(incorporated by reference to Exhibit 10.2 to Globus Maritime Limited's Report on Form 6-K \(Reg. No. 001-34985\) furnished on December 15, 2017\)](#)
- [8.1](#) [Subsidiaries of Globus Maritime Limited \(incorporated by reference to Exhibit 4.20 to Globus Maritime Limited's Annual Report on Form 20-F \(Reg. No. 001-34985\) filed on April 29, 2016\)](#)
- [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](#)
- [15.1*](#) [Consent of Independent Registered Public Accounting Firm \(Ernst & Young \(Hellas\) Certified Auditors Accountants S.A.\)](#)
- 101* The following materials from the Company's Annual Report on Form 20-F for the fiscal year ended December 31, 2017, formatted in eXtensible Business Reporting Language (XBRL): (i) Consolidated Balance Sheets as of December 31, 2016 and 2017; (ii) Consolidated Statements of Operations for the years ended December 31, 2015, 2016 and 2017; (iii) Consolidated Statements of Comprehensive Income/(Loss) for the years ended December 31, 2015, 2016 and 2017; (iv) Consolidated Statements of Stockholders' Equity for the years ended December 31, 2015, 2016 and 2017; (v) Consolidated Statements of Cash Flows for the years ended December 31, 2015, 2016 and 2017; and (vi) the Notes to Consolidated Financial Statements.

* 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: March 9, 2018

GLOBUS MARITIME LIMITED
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and the Board of Directors of Globus Maritime Limited

Opinion on the Financial Statements

We have audited the accompanying consolidated statements of financial position of Globus Maritime Limited (the Company) as of December 31, 2017 and 2016, and the related consolidated statements of comprehensive loss, changes in equity and cash flows for each of the three years in the period ended December 31, 2017, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2017 and 2016, and the results of its operations and its cash flows for each for the three years in the period ended December 31, 2017, in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board (IASB).

The Company's Ability to Continue as a Going Concern

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 2 to the consolidated financial statements, as at December 31, 2017 and for the year then ended, the Company has incurred a net loss from operations, has a working capital deficiency and has stated that substantial doubt exists about the Company's ability to continue as a going concern. In addition, based on its projections, the Company may not be able to comply with certain covenants of loan agreements with banks without obtaining waivers or extending the existing waivers, therefore, it may not be able to meet its debt obligations as they become due in the twelve-month period ending following the issuance of these consolidated financial statements. Management's evaluation of the events and conditions and management's plans regarding these matters are also described in Note 2. The accompanying consolidated financial statements do not include any adjustments to reflect the possible future effects on the recoverability and classification of assets or amounts and classification of liabilities that may result from the outcome of this uncertainty.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting 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.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ Ernst & Young (Hellas) Certified Auditors Accountants S.A.

We have served as the Company's auditor since 2007.

Athens, Greece
March 9, 2018

GLOBUS MARITIME LIMITED
CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
For the year ended 31 December 2017
(Expressed in thousands of U.S. Dollars, except share and per share and warrants data)

	Notes	2017	2016	2015
REVENUE:				
Voyage revenues		14,392	8,740	12,715
Management and consulting fee income	4	31	278	-
Total Revenues		<u>14,423</u>	<u>9,018</u>	<u>12,715</u>
EXPENSES & OTHER OPERATING INCOME:				
Voyage expenses	14	(1,892)	(1,271)	(2,384)
Vessel operating expenses	14	(9,135)	(8,688)	(10,321)
Depreciation	5	(4,854)	(5,014)	(6,085)
Depreciation of dry docking costs	5	(862)	(1,005)	(1,062)
Amortization of fair value of time charter attached to vessels		-	-	(41)
Administrative expenses	15	(1,224)	(2,094)	(1,751)
Administrative expenses payable to related parties	4	(514)	(351)	(465)
Share-based payments	13	(40)	(50)	(60)
Impairment loss	5	-	-	(20,144)
Gain from sale of subsidiary	12	-	2,257	-
Other (expenses)/income, net		83	(30)	(110)
Operating loss		<u>(4,015)</u>	<u>(7,228)</u>	<u>(29,708)</u>
Interest income		3	5	8
Interest expense and finance costs	16	(2,221)	(2,676)	(2,783)
Foreign exchange gains/(losses), net		(242)	74	87
TOTAL LOSS FOR THE YEAR		<u>(6,475)</u>	<u>(9,825)</u>	<u>(32,396)</u>
Other Comprehensive Income		<u>-</u>	<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		<u>(6,475)</u>	<u>(9,825)</u>	<u>(32,396)</u>
Loss per share (U.S.\$):				
- Basic and Diluted loss per share for the year	11	(0.25)	(3.77)	(12.80)

The accompanying notes form an integral part of these financial statements.

GLOBUS MARITIME LIMITED
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
As at 31 December 2017
(Expressed in thousands of U.S. Dollars, except share and per share and warrants data)

	Notes	2017	2016
ASSETS			
NON-CURRENT ASSETS			
Vessels, net	5	87,320	91,792
Office furniture and equipment		43	45
Other non-current assets		10	10
		<u>87,373</u>	<u>91,847</u>
CURRENT ASSETS			
Trade accounts receivable		177	243
Inventories	6	661	516
Prepayments and other assets	7	426	1,017
Restricted cash	3	210	210
Cash and cash equivalents	3	2,756	163
		<u>4,230</u>	<u>2,149</u>
TOTAL ASSETS		<u><u>91,603</u></u>	<u><u>93,996</u></u>
EQUITY AND LIABILITIES			
EQUITY			
Issued share capital	10	126	10
Share premium	10	139,571	110,004
Accumulated deficit		(95,729)	(89,254)
Total equity		<u>43,968</u>	<u>20,760</u>
NON-CURRENT LIABILITIES			
Long-term borrowings, net of current portion	4,12	-	42,022
Provision for staff retirement indemnities		82	78
		<u>82</u>	<u>42,100</u>
CURRENT LIABILITIES			
Current portion of long-term borrowings	12	41,538	23,550
Trade accounts payable	4,8	4,258	4,757
Accrued liabilities and other payables	9	1,455	2,609
Deferred revenue		302	220
		<u>47,553</u>	<u>31,136</u>
TOTAL LIABILITIES		<u>47,635</u>	<u>73,236</u>
TOTAL EQUITY AND LIABILITIES		<u><u>91,603</u></u>	<u><u>93,996</u></u>

The accompanying notes form an integral part of these financial statements.

GLOBUS MARITIME LIMITED
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
For the year ended 31 December 2017
(Expressed in thousands of U.S. Dollars, except share and per share and warrants data)

	Issued Share Capital	Share Premium	(Accumulated Deficit)	Total Equity
As at January 1, 2015	10	109,894	(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	10	109,954	(79,429)	30,535
Loss for the year	-	-	(9,825)	(9,825)
Other comprehensive income	-	-	-	-
Total comprehensive loss	-	-	(9,825)	(9,825)
Share-based payments (note 13)	-	50	-	50
As at December 31, 2016	10	110,004	(89,254)	20,760
Loss for the year	-	-	(6,475)	(6,475)
Other comprehensive income	-	-	-	-
Total comprehensive loss	-	-	(6,475)	(6,475)
Share-based payments (note 13)	-	30	-	30
Issuance of common shares (note 10)	110	27,172	-	27,282
Issuance of common stock due to exercise of warrants (note 10)	6	2,365	-	2,371
As at December 31, 2017	126	139,571	(95,729)	43,968

The accompanying notes form an integral part of these financial statements.

GLOBUS MARITIME LIMITED
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the year ended 31 December 2017
(Expressed in thousands of U.S. Dollars)

	Notes	2017	2016	2015
Operating activities				
Loss for the year		(6,475)	(9,825)	(32,396)
Adjustments for:				
Depreciation	5	4,854	5,014	6,085
Depreciation of deferred dry docking costs	5	862	1,005	1,062
Amortization of fair value of time charter attached to vessels	5	-	-	41
Payment of deferred dry docking costs		(412)	(478)	(983)
Impairment loss	5	-	-	20,144
Gain from sale of subsidiary	12	-	(2,257)	-
Provision for staff retirement indemnities		4	5	5
Interest expense and finance costs	16	2,221	2,676	2,783
Interest income		(3)	(5)	(8)
Foreign exchange gains, net		181	(58)	(28)
Share based payment	4,13	30	50	60
(Increase)/decrease in:				
Trade accounts receivable		66	(270)	489
Inventories		(145)	(161)	(12)
Prepayments and other assets		591	(232)	1,483
Increase/(decrease) in:				
Trade accounts payable		(499)	746	1,404
Accrued liabilities and other payables		(726)	141	(54)
Deferred revenue		82	49	(135)
Net cash generated from/(used in) operating activities		631	(3,600)	(60)
Cash flows from investing activities:				
Net proceeds from sale of vessel/subsidiary		-	374	5,348
Purchase of vessel equipment		(245)	-	-
Purchases of office furniture and equipment		(21)	(19)	(5)
Interest received		3	7	8
Net cash (used in)/generated from investing activities		(263)	362	5,351
Cash flows from financing activities:				
Proceeds from loans	12,4	280	5,950	39,505
Repayment of long-term debt		(4,399)	(3,100)	(45,506)
Proceeds from issuance of share capital	10	9,653	-	-
Pledged bank deposits	3	-	290	500
Dividends paid	17	-	(14)	(505)
Interest paid		(3,309)	(1,730)	(2,363)
Net cash generated from/(used in) financing activities		2,225	1,396	(8,369)
Net increase/(decrease) in cash and cash equivalents		2,593	(1,842)	(3,078)
Cash and cash equivalents at the beginning of the year	3	163	2,005	5,083
Cash and cash equivalents at the end of the year	3	2,756	163	2,005

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, per share and warrants 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 subsidiaries listed below, all wholly owned by Globus as of December 31, 2017:

Company	Country of Incorporation	Vessel Delivery Date	Vessel Owned
Globus Shipmanagement Corp.	Marshall Islands	-	Management Co.
Devocean Maritime Ltd.	Marshall Islands	December 18, 2007	m/v River Globe
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
Artful Shipholding S.A.	Marshall Islands	June 22, 2011	m/v Moon Globe
Longevity Maritime Limited	Malta	September 15, 2011	m/v Sun Globe

GLOBUS MARITIME LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Amounts presented in thousands of U.S. Dollars- except for share, per share and warrants data, unless otherwise stated)

1. Basis of presentation and general information (continued)

The consolidated financial statements as of December 31, 2017 and 2016 and for the three years in the period ended December 31, 2017, were approved for issuance by the Board of Directors on March 7, 2018.

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:

During 2017, the Company agreed to amend its loan agreements with DVB (“DVB”) Bank SE and HSH Nordbank AG (“HSH”) and, accordingly, all loan covenants were either relaxed or waived up to April 1, 2018 (in the case of the DVB Loan Agreement) and March 3, 2018 (in the case of the HSH Loan Agreement). In this respect, as of December 31, 2017, the Company was in compliance with the loan covenants of the agreements with the banks, as amended and in effect. However, the Company may not be able to meet certain of the relaxed terms included in the supplemental agreements with the banks (Note 12) including maintaining a minimum liquidity and minimum net worth once the waivers expire and cannot guarantee that it will be able to obtain new waivers or extensions to these waivers. If the Company is unable to obtain further waivers or extend the existing waivers or meet the terms of these loan agreements without them, it may breach covenants contained in such loan agreements constituting an event of default. If an event of default occurs under the DVB Loan Agreement or the HSH Loan Agreement, due to cross-default provisions included in these agreements, the Company’s lenders 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 the Company’s assets.

Accordingly, as the Company did not have an unconditional right to defer settlement of the related liability for at least twelve months after the date of the consolidated statement of financial position, the total balance of the loans outstanding to DVB and HSH of \$41,538 at December 31, 2017, has been classified as current. As a result, as of December 31, 2017, the Company reported a working capital deficit of \$43,323.

Furthermore, its cash flow projections indicated that cash on hand and cash to be provided by operating activities might not be sufficient to cover the liquidity needs, including the debt obligations that become due in the twelve-month period ending following the issuance of these consolidated financial statements.

The above conditions raise substantial doubt about the entity's ability to continue as a going concern. The Company is exploring several alternatives aiming to manage its working capital requirements and other commitments, including negotiations with its lenders to obtain waivers or to restructure the affected debt, future equity security offerings and potential sale of assets. Management expects that the lenders will not demand payment of the loans before their maturity, provided that the Company pays scheduled loan instalments and accumulated interest as they fall due under the existing loan agreements. Management plans to settle loan interest and scheduled loan repayments with cash at hand and cash expected to be generated from the operations and from financing activities. However, as there is no certainty or commitment that any of the options being considered by the Company will materialize, the Company may be unable to continue as a going concern and 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 these 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.

GLOBUS MARITIME LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Amounts presented in thousands of U.S. Dollars- except for share, per share and warrants data, unless otherwise stated)

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, 2017.

- IAS 12: Recognition of Deferred Tax Assets for Unrealized Losses (Amendments)
The objective of the Amendments is to clarify the requirements of deferred tax assets for unrealized losses in order to address diversity in practice in the application of IAS 12 Income Taxes. The specific issues where diversity in practice existed relate to the existence of a deductible temporary difference upon a decrease in fair value, to recovering an asset for more than its carrying amount, to probable future taxable profit and to combined versus separate assessment. The application of these amendments has no impact on the financial position or the performance of the Company.
- IAS 7: Disclosure Initiative (Amendments)
The objective of the Amendments is to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. The Amendments specify that one way to fulfil the disclosure requirement is by providing a tabular reconciliation between the opening and closing balances in the statement of financial position for liabilities arising from financing activities, including changes from financing cash flows, changes arising from obtaining or losing control of subsidiaries or other businesses, the effect of changes in foreign exchange rates, changes in fair values and other changes. The application of these amendments have no impact on the financial position or the performance of the Company.
- **The IASB has issued the Annual Improvements to IFRSs 2014 – 2016 Cycle**, which is a collection of amendments to IFRSs. This improvement did not have an effect on the Company's financial statements.
 - IFRS 12 Disclosure of Interests in Other Entities: The amendments clarify that the disclosure requirements in IFRS 12, other than those of summarized financial information for subsidiaries, joint ventures and associates, apply to an entity's interest in a subsidiary, a joint venture or an associate that is classified as held for sale, as held for distribution, or as discontinued operations in accordance with IFRS 5.

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 consolidated financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

- *IFRS 9 Financial Instruments: Classification and Measurement: The standard is effective for annual periods beginning on or after January 1, 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. Management has made an assessment of the effect of the standard and considers it will not have any impact on its financial position or performance.*
- *IFRS 15 Revenue from Contracts with Customers: The standard is effective for annual periods beginning on or after January 1, 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 will adopt the standard as of January 1, 2018 and is expecting that the adoption will not have a material effect on its financial statements, other than additional disclosure requirements in the notes to the consolidated financial statements, since the Company has chartered its vessels under time charter agreements and, in this respect, revenue is accounted under the leases standard.*

GLOBUS MARITIME LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****(Amounts presented in thousands of U.S. Dollars- except for share, per share and warrants data, unless otherwise stated)****2. Basis of Preparation and Significant Accounting Policies (continued)**

- *IFRS 15: Revenue from Contracts with Customers (Clarifications). The Clarifications apply for annual periods beginning on or after January 1, 2018, with earlier application permitted. The objective of the Clarifications is to clarify the IASB's intentions when developing the requirements in IFRS 15 Revenue from Contracts with Customers, particularly the accounting of identifying performance obligations amending the wording of the "separately identifiable" principle, of principal versus agent considerations including the assessment of whether an entity is a principal or an agent as well as applications of control principle and of licensing providing additional guidance for accounting of intellectual property and royalties. The Clarifications also provide additional practical expedients for entities that either apply IFRS 15 fully retrospectively or that elect to apply the modified retrospective approach. The Company will adopt the standard as of January 1, 2018 and is expecting that the adoption will not have a material effect on its financial statements, other than additional disclosure requirements in the notes to the financial statements, since the Company has chartered its vessels under time charter agreements, and in this respect revenue is accounted under the leases standard.*
- *IFRS 16: Leases*
The standard is effective for annual periods beginning on or after January 1, 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 anticipates that the implementation of this standard will not have a material impact on the Company's financial statements, since the changes for lessors are fairly minor.
- *IFRS 17: Insurance Contracts*
The standard is effective for annual periods beginning on or after January 1, 2021 with earlier application permitted if both IFRS 15 Revenue from Contracts with Customers and IFRS 9 Financial Instruments have also been applied. IFRS 17 Insurance Contracts establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts issued. It also requires similar principles to be applied to reinsurance contracts held and investment contracts with discretionary participation features issued. The objective is to ensure that entities provide relevant information in a way that faithfully represents those contracts. This information gives a basis for users of financial statements to assess the effect that contracts within the scope of IFRS 17 have on the financial position, financial performance and cash flows of an entity. The application of this standard will have no impact on the financial position or the performance of the Company.
- *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.
- *IFRS 2: Classification and Measurement of Share based Payment Transactions (Amendments)*
The Amendments are effective for annual periods beginning on or after January 1, 2018 with earlier application permitted. The Amendments provide requirements on the accounting for the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments, for share-based payment transactions with a net settlement feature for withholding tax obligations and for modifications to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled. Management is in the process of assessing the impact of IFRS 2 Amendments on the Company's financial position or performance.
- *IFRS 4: Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts (Amendments)*
The Amendments are effective for annual periods beginning on or after January 1, 2018. The amendments address concerns arising from implementing the new financial instruments Standard, IFRS 9, before implementing the new insurance contracts standard that the Board is developing to replace IFRS 4. The amendments introduce two options for entities issuing insurance contracts: a temporary exemption from applying IFRS 9 and an overlay approach, which would permit entities that issue contracts within the scope of IFRS 4 to reclassify, from profit or loss to other comprehensive income, some of the income or expenses arising from designated financial assets. The Company does not expect that these amendments will have an impact on its financial position or performance.

GLOBUS MARITIME LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Amounts presented in thousands of U.S. Dollars- except for share, per share and warrants data, unless otherwise stated)

2. Basis of Preparation and Significant Accounting Policies (continued)

- **IAS 40: Transfers to Investment Property (Amendments)**
The Amendments are effective for annual periods beginning on or after January 1, 2018, with earlier application permitted. The Amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The Amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use. The Company does not expect that these amendments will have an impact on its financial position or performance.
- **IFRS 9 Amendment: Prepayment features with negative compensation**
The Amendment is effective for annual reporting periods beginning on or after January 1, 2019, with earlier application permitted. The Amendment allows financial assets with prepayment features that permit or require a party to a contract either to pay or receive reasonable compensation for the early termination of the contract (so that, from the perspective of the holder of the asset there may be 'negative compensation'), to be measured at amortized cost or at fair value through other comprehensive income. Management is in the process of assessing the impact of this Amendment on the Company's financial position or performance.
- **IAS 28 Amendments: Long-term Interests in Associates and Joint Ventures**
The Amendments are effective for annual reporting periods beginning on or after January 1, 2019, with earlier application permitted. The Amendments relate to whether the measurement, in particular impairment requirements, of long term interests in associates and joint ventures that, in substance, form part of the 'net investment' in the associate or joint venture should be governed by IFRS 9, IAS 28 or a combination of both. The Amendments clarify that an entity applies IFRS 9 Financial Instruments, before it applies IAS 28, to such long-term interests for which the equity method is not applied. In applying IFRS 9, the entity does not take account of any adjustments to the carrying amount of long-term interests that arise from applying IAS 28. Management does not expect that these amendments will have an impact on its financial position or performance.
- **IAS 19: Plan Amendment, Curtailment or Settlement (Amendments)**
The Amendments are effective for annual periods beginning on or after January 1, 2019, with earlier application permitted. The amendments require entities to use updated actuarial assumptions to determine current service cost and net interest for the remainder of the annual reporting period after a plan amendment, curtailment or settlement has occurred. The amendments also clarify how the accounting for a plan amendment, curtailment or settlement affects applying the asset ceiling requirements. Management does not expect that these amendments will have an impact on its financial position or performance.
- **IFRIC INTERPETATION 22: Foreign Currency Transactions and Advance Consideration**
The Interpretation is effective for annual periods beginning on or after January 1, 2018, with earlier application permitted. The Interpretation clarifies the accounting for transactions that include the receipt or payment of advance consideration in a foreign currency. The Interpretation covers foreign currency transactions when an entity recognizes a non-monetary asset or a non-monetary liability arising from the payment or receipt of advance consideration before the entity recognizes the related asset, expense or income. The Interpretation states that the date of the transaction, for the purpose of determining the exchange rate, is the date of initial recognition of the non-monetary prepayment asset or deferred income liability. If there are multiple payments or receipts in advance, then the entity must determine a date of the transactions for each payment or receipt of advance consideration. The Company does not expect that this interpretation will have an impact on its financial position or performance.
- **The IASB has issued the Annual Improvements to IFRSs 2014 – 2016 Cycle**, which is a collection of amendments to IFRSs. The amendments are effective for annual periods beginning on or after January 1, 2018, for IFRS 1 First-time Adoption of International Financial Reporting Standards and for IAS 28 Investments in Associates and Joint Ventures. Earlier application is permitted for IAS 28 Investments in Associates and Joint Ventures. The Company does not expect that these amendments will have an impact on its financial position or performance.
 - *IFRS 1 First-time Adoption of International Financial Reporting Standards: This improvement deletes the short-term exemptions regarding disclosures about financial instruments, employee benefits and investment entities, applicable for first time adopters.*
 - *IAS 28 Investments in Associates and Joint Ventures: The amendments clarify that the election to measure at fair value through profit or loss an investment in an associate or a joint venture that is held by an entity that is venture capital organization, or other qualifying entity, is available for each investment in an associate or joint venture on an investment-by-investment basis, upon initial recognition.*

GLOBUS MARITIME LIMITED

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(Amounts presented in thousands of U.S. Dollars- except for share, per share and warrants data, unless otherwise stated)

2 Basis of Preparation and Significant Accounting Policies (continued)

- *IFRIC INTERPETATION 23: Uncertainty over Income Tax Treatments*
The Interpretation is effective for annual periods beginning on or after January 1, 2019, with earlier application permitted. The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of IAS 12. The Interpretation provides guidance on considering uncertain tax treatments separately or together, examination by tax authorities, the appropriate method to reflect uncertainty and accounting for changes in facts and circumstances. The Company does not expect that this interpretation will have an impact on its financial position or performance.
- *The IASB has issued the Annual Improvements to IFRSs 2015 – 2017 Cycle*, which is a collection of amendments to IFRSs. The amendments are effective for annual periods beginning on or after January 1, 2019, with earlier application permitted. Management is in the process of assessing the impact of these Amendments on the Company's financial position or performance.
 - *IFRS 3 Business Combinations and IFRS 11 Joint Arrangements*: The amendments to IFRS 3 clarify that when an entity obtains control of a business that is a joint operation, it remeasures previously held interests in that business. The amendments to IFRS 11 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not remeasure previously held interests in that business.
 - *IAS 12 Income Taxes*: The amendments clarify that the income tax consequences of payments on financial instruments classified as equity should be recognized according to where the past transactions or events that generated distributable profits has been recognized.
 - *IAS 23 Borrowing Costs*: The amendments clarify paragraph 14 of the standard that, when a qualifying asset is ready for its intended use or sale, and some of the specific borrowing related to that qualifying asset remains outstanding at that point, that borrowing is to be included in the funds that an entity borrows generally.

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 accounts receivable:* Provisions for doubtful trade receivables are recorded based on management's expectations on future trade receivables recoveries. Provisions for doubtful trade receivables as of December 31, 2017 and 2016, were \$138 and \$47, respectively.

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, 2017. 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.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Amounts presented in thousands of U.S. Dollars- except for share, per share and warrants data, unless otherwise stated)

2 Basis of Preparation and Significant Accounting Policies (continued)

➤ **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.

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 and bareboat, 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 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 on an accrual basis.

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 loss.

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.

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 loss. 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, 2017 was \$138 (2016:\$47).

2.8 Inventories: Inventories consist of lubricants, bunkers and gas cylinders and are stated at the lower of cost and 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.

GLOBUS MARITIME LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****(Amounts presented in thousands of U.S. Dollars- except for share, per share and warrants data, unless otherwise stated)****2 Basis of Preparation and Significant Accounting Policies (continued)**

- 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 additional depreciation expense of \$91 included in the consolidated statement of comprehensive loss for 2015. During the second quarter of 2016, the Company reduced the scrap rate from \$240/ton to \$200/ton due to the reduced scrap rates worldwide. This resulted to an additional depreciation expense of \$96 included in the consolidated statement of comprehensive loss for 2016. During the third quarter of 2017, the Company adjusted the scrap rate from \$200/ton to \$250/ton due to the increased scrap rates worldwide. This resulted to a decrease of \$86 of the depreciation charge included in the consolidated statement of comprehensive loss for 2017.
- 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 the line "amortization of fair value of time charter attached to vessels" in the income statement component of the consolidated statement of comprehensive loss.
- 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 loss. 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 loss. 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 (refer to 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.
- 2.15 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 loss 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, 2017, 2016 and 2015, 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.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Amounts presented in thousands of U.S. Dollars- except for share, per share and warrants data, unless otherwise stated)

2 Basis of Preparation and Significant Accounting Policies (continued)

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 \$82 as at December 31, 2017 (2016:\$78), 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.

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 loss 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.

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(Amounts presented in thousands of U.S. Dollars- except for share, per share and warrants data, unless otherwise stated)

2 Basis of Preparation and Significant Accounting Policies (continued)

- 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 loss, 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 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 loss, 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 loss.

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 loss in the period the criteria are no longer met. Refer to note 5.

- 2.29 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 22. 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.

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2 Basis of Preparation and Significant Accounting Policies (continued)

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

2.30 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.

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,	
	2017	2016
Cash on hand	-	1
Cash at banks	2,756	162
Total	2,756	163

Cash held in banks earns interest at floating rates based on daily bank deposit rates.

The fair value of cash and cash equivalents as at December 31, 2017 and 2016, was \$2,756 and \$163, respectively. In addition as of December 31, 2017, the Company had available \$3,000 (2016: \$2,565) of undrawn borrowing facilities (note 12).

As at December 31, 2017 and 2016, the Company had pledged an amount of \$210 in order to fulfil collateral requirements. The fair value of restricted cash as at December 31, 2017 and 2016, was \$210 (Refer to note 12 for further details).

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4 Transactions with Related Parties

The ultimate controlling party of the Company is Mr. George Feidakis who beneficially owns 18,579,317 common shares as of December 31, 2017, through Firment Shipping Inc., a Marshall Islands corporation controlled by Mr Feidakis. As at December 31, 2017 and 2016, Mr Feidakis beneficially owned 58.7% and 43.4%, respectively, of Globus' shares. Mr. George Feidakis is also the chairman of the Board of Directors of Globus.

The following are the major transactions which the Company has entered into with related parties during the years ended December 31, 2017, 2016 and 2015:

In August 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. (an affiliate of Globus's chairman). Rental expense was Euro 14,578 (absolute amount) (\$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 contract ran for nine years and could have been terminated by the Company with six months' notice, and terminated at the end of 2015. In 2016 the Company renewed the rental agreement at a monthly rate of Euro 10,360 (absolute amount) (\$10.9) with a lease period ending January 2, 2025. The Company does not presently own any real estate. During the years ended December 31, 2017, 2016 and 2015, rent expense was \$140, \$138 and \$195, respectively.

The expense is recognised in the income statement component of the consolidated statement of comprehensive loss under administrative expenses payable to related parties. As of December 31, 2017 and 2016, \$471 and \$313 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.

As of December 28, 2015, Athanasios Feidakis assumed the position of Chief Executive Officer ("CEO") and Chief Financial Officer. His remuneration for 2015 was \$60 per annum according to his compensation agreement as a Director of Globus. On August 18, 2016, the Company entered into a consultancy agreement with an affiliated company of its CEO, Mr. Athanasios Feidakis, for the purpose of providing consulting services to the Company in connection with the Company's international shipping and capital raising activities, including but not limited to assisting and advising the Company's CEO at an annual fee of Euro 200,000 (absolute amount) (approx. \$240). The related expense for the years ended December 31, 2017 and 2016, amounted to \$229 and \$97, respectively.

In December 2013, Globus entered into a credit facility for up to \$4,000 with Firment Trading Limited, an affiliate of the Company's chairman, 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 \$4,000 to \$8,000 and in December 2015, through a second supplemental agreement, the credit limit of the facility increased from \$8,000 to \$20,000. 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 an affiliate of the Company's chairman. The Company had the right to drawdown any amount up to \$20,000 or prepay any amount, during the availability period, in multiples of \$100.

As of December 31, 2016, the amount drawn and outstanding with respect to the facility was \$17,435, and was classified under "short-term borrowings" in the consolidated statement of financial position. For the year ended December 31, 2016, Globus recognised interest expense of \$608. The expense is classified in the income statement component of the consolidated statement of comprehensive loss under interest expense and finance costs and interest payable is classified in the statement of financial position under accrued liabilities and other payables.

On February 8, 2017, the Company entered into a Share and Warrant Purchase Agreement ("February 2017 private placement") pursuant to which it sold for \$5,000 an aggregate of 5 million of its common shares, par value \$0.004 per share and warrants (the "February 2017 Warrants") to purchase 25 million of its common shares at a price of \$1.60 per share to four investors in a private placement. One investor is the sister of the CEO of Globus and the daughter of its chairman. These securities were issued in transactions exempt from registration under the Securities Act. The following day, the Company entered into a registration rights agreement with those purchasers providing them with certain rights relating to registration under the Securities Act of the Shares and the common shares underlying the Warrants.

In connection with the closing of the February 2017 private placement, the Company also entered into two loan amendment agreements with existing lenders.

GLOBUS MARITIME LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****(Amounts presented in thousands of U.S. Dollars- except for share, per share and warrants data, unless otherwise stated)****4 Transactions with Related Parties (continued)**

One loan amendment agreement was entered into by the Company with Firment Trading Limited, the lender of the Firment Credit Facility, which then had an outstanding principal amount of \$18,524. Firment Trading Limited released an amount equal to \$16,885 (but left an amount equal to \$1,639 outstanding, which continued to accrue under the Firment Credit Facility as though it were principal) of the Firment Credit Facility and the Company issued to Firment Shipping Inc., an affiliate of Firment Trading Limited, 16,885,000 common shares and a warrant to purchase 6,230,580 common shares at a price of \$1.60 per share. Subsequent to the closing of the February 2017 private placement, Globus repaid the outstanding amount on the Firment Credit Facility in its entirety. The Firment Credit Facility terminated on April 12, 2017. Firment Trading Limited waived any interest under Firment Credit Facility for 2017.

In January 2016, Globus Maritime Limited entered into a credit facility for up to \$3,000 with Silaner Investments Limited, an affiliate of the Company's chairman, for the purpose of financing its general working capital needs. The Silaner Credit Facility was unsecured and remained available until its final maturity date at January 12, 2018. The Company had the right to drawdown any amount up to \$3,000 or prepay any amount in multiples of \$100. Any prepaid amount could have been re-borrowed in accordance with the terms of the facility. Interest on drawn and outstanding amounts was charged at 5% per annum and no commitment fee was charged on the amounts remaining available and undrawn.

As of December 31, 2016, the amount drawn and outstanding with respect to the facility was \$3,115 and was classified under "long-term borrowings" in the 2016 consolidated statement of financial position. For the year ended December 31, 2017 and 2016, Globus recognised interest expense of \$3 and \$74, respectively. The expense is classified in the income statement component of the consolidated statement of comprehensive loss under interest expense and finance costs and interest payable is classified in the statement of financial position under accrued liabilities and other payables.

The second loan amendment agreement in connection with the closing of the February 2017 private placement was entered into by the Company with Silaner Investments Limited, the lender of the Silaner Credit Facility. Silaner released an amount equal to the outstanding principal of \$3,115 (but left an amount equal to \$74 outstanding, which continued to accrue under the Silaner Credit Facility as though it were principal) of the Silaner Credit Facility and the Company issued to Firment Shipping Inc., an affiliate of Silaner, 3,115,000 common shares and a warrant to purchase 1,149,437 common shares at a price of \$1.60 per share. During 2017, the Company drew down \$ 280 under this facility. Before the end of the year, Globus repaid the outstanding amount on the Silaner Credit Facility in its entirety. The Silaner Credit Facility terminated on January 12, 2018.

In June 2016, Globus Maritime Limited entered into a consultancy agreement with Eolos Shipmanagement S.A., an affiliate of the Company's chairman, for the purpose of providing consultancy services to Eolos Shipmanagement S.A. For these services the Company received a daily fee of \$1. This agreement was terminated on January 31, 2017. For 2017 and 2016, the total income from these fees amounted to \$31 and \$187, respectively, and is classified in the income statement component of the consolidated statement of comprehensive loss under management and consulting fee income.

Compensation of Key Management Personnel of the Company:

Compensation to Globus non-executive directors is analysed as follows:

	For the year ended December 31,		
	2017	2016	2015
Director's remuneration	145	130	185
Share-based payments (note 13)	40	35	60
Total	185	165	245

As of December 31, 2017 and 2016, \$126 and \$393 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 director is analysed as follows:

	For the year ended December 31,		
	2017	2016	2015
Short-term employee benefits	229	82	85
Share-based payments (note 13)	-	15	-
Total	229	97	85

GLOBUS MARITIME LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Amounts presented in thousands of U.S. Dollars- except for share, per share and warrants data, unless otherwise stated)

4 Transactions with Related Parties (continued)

As of December 31, 2017 and 2016, \$239 and \$152 of the compensation to the executive director was remaining due and unpaid, respectively.

In July 2016 the remaining 2,567 series A preferred shares, granted to Company's former Chief Executive Officer were redeemed and the former Chief Executive Officer was compensated with an amount of \$242. As of December 31, 2017 and 2016, the Company had no series A preferred shares outstanding.

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	Net Book Value
Balance at January 1, 2016	198,803	(90,086)	3,976	(2,618)	110,075
Additions/ (Dry Docking Component)	-	-	478	-	478
Sale of subsidiary	(19,647)	7,200	(600)	276	(12,771)
Depreciation and amortization	-	(4,985)	-	(1,005)	(5,990)
Balance at December 31, 2016	179,156	(87,871)	3,854	(3,347)	91,792
Additions/ (Dry Docking Component)	245	-	976	-	1,221
Depreciation and amortization	-	(4,831)	-	(862)	(5,693)
Balance at December 31, 2017	179,401	(92,702)	4,830	(4,209)	87,320

For the purpose of the consolidated statement of comprehensive loss, depreciation, as stated in the income statement component, comprises the following:

	For the year ended December 31,		
	2017	2016	2015
Vessels depreciation	4,831	4,985	6,047
Depreciation on office furniture and equipment	23	29	38
Total	4,854	5,014	6,085

The Company's vessels have been pledged as collateral to secure the bank loans discussed in note 12.

Impairment of non-financial assets: As of December 31, 2017, 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 estimated daily time charter equivalent based on the most recent blended (for modern and older vessels) FFA (i.e. Forward Freight Agreements) time charter rate for the remaining year of 2018, 2019 and 2020, respectively, 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 2008 and 2016 that were considered as extreme values, with the years 2005 and 2006. The rates were adjusted assuming an annual growth rate of 1.7% 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 3.7% every two years. 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.

GLOBUS MARITIME LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

(Amounts presented in thousands of U.S. Dollars- except for share, per share and warrants data, unless otherwise stated)

5 Vessels, net (continued)

As of December 31, 2017 and 2016, no impairment loss was recognized as the vessels' recoverable amounts exceeded their carrying amounts. In July 2015, m/v Tiara Globe 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.

Vessels	Impairment loss		
	For the year ended December 31,		
	2017	2016	2015
m/v Tiara Globe	-	-	(7,745)
m/v Energy Globe	-	-	(12,399)
Impairment loss	-	-	(20,144)

6 Inventories

Inventories in the consolidated statement of financial position are analysed as follows:

	December 31,	
	2017	2016
Lubricants	328	363
Gas cylinders	63	52
Bunkers	270	101
Total	661	516

7 Prepayments and other assets

Prepayments and other assets in the consolidated statement of financial position are analysed as follows:

	December 31,	
	2017	2016
Bunkers	216	504
Other prepayments and other assets	210	513
Total	426	1,017

8 Trade accounts payable

Trade accounts payable in the consolidated statement of financial position as at December 31, 2017 and 2016, amounted to \$4,258 and \$4,757, respectively. Trade accounts payable are non-interest bearing.

9 Accrued liabilities and other payables

Accrued liabilities and other payables in the consolidated statement of financial position are analysed as follows:

	December 31,	
	2017	2016
Accrued interest	274	1,266
Accrued audit fees	-	64
Other accruals	996	1,065
Insurance deductibles	139	134
Other payables	46	80
Total	1,455	2,609

- Interest is normally settled quarterly throughout the year.
- Other payables are non-interest bearing.

GLOBUS MARITIME LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Amounts presented in thousands of U.S. Dollars- except for share, per share and warrants data, unless otherwise stated)

10 Share Capital and Share Premium

The authorised share capital of Globus consisted of the following:

	December 31,		
	2017	2016	2015
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, 2015	2,561,405	10
Issued during the year for share based compensation (note 13)	18,372	-
As at December 31, 2015	2,579,777	10
Issued during the year for share based compensation (note 13)	47,897	-
As at December 31, 2016	2,627,674	10
Issued during the year for share based compensation (note 13)	20,937	-
Issuance of common stock	27,500,000	110
Issuance of common stock due to exercise of warrants	1,481,808	6
As at December 31, 2017	31,630,419	126

On February 8, 2017, the Company entered into a Share and Warrant Purchase Agreement ("February 2017 private placement") pursuant to which it sold for \$5,000 an aggregate of 5 million of its common shares, par value \$0.004 per share and warrants (the "February 2017 Warrants") to purchase 25 million of its common shares at a price of \$1.60 per share to four investors in a private placement. One investor is the CEO's sister and the daughter of its chairman. These securities were issued in transactions exempt from registration under the Securities Act. The following day, the Company entered into a registration rights agreement with those purchasers providing them with certain rights relating to registration under the Securities Act of the Shares and the common shares underlying the Warrants.

Further to the February 2017 private placement, two investors partially exercised their warrants, purchasing 1,481,808 of the Company's common shares for aggregate gross proceeds to the Company of approximately \$2,371.

Each of the February 2017 Warrants are exercisable for 24 months after their respective issuance. Under the terms of the warrants, all warrant holders (other than Firment Shipping Inc., which has no such restriction in its warrants) may not exercise their warrants to the extent such exercise would cause such warrant holder, together with its affiliates and attribution parties, to beneficially own a number of common shares which would exceed 4.99% (which may be increased, but not to exceed 9.99%) of Globus's then outstanding common shares immediately following such exercise, excluding for purposes of such determination common shares issuable upon exercise of the warrants which have not been exercised. This provision does not limit a warrant holder from acquiring up to 4.99% of the Company's common shares, selling all of their common shares, and re-acquiring up to 4.99% of the Company's common shares.

The February 2017 Warrants each contain a provision whereby the relevant holder has the right to a cashless exercise if, six months after its issuance, a registration statement covering the resale of the shares issuable thereunder is not effective. If for any reason Globus is unable to keep such a registration statement active and its share price is higher than the \$1.60 exercise price, Globus could be required to issue shares without receiving cash consideration.

As of December 31, 2017, in connection with the February 2017 private placement, the February 2017 Warrants outstanding were exercisable for an aggregate of 30,898,209 common shares.

GLOBUS MARITIME LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

(Amounts presented in thousands of U.S. Dollars- except for share, per share and warrants data, unless otherwise stated)

10 Share Capital and Share Premium (continued)

On October 19, 2017, the Company entered into a Share and Warrant Purchase Agreement (the “October 2017 SPA”) pursuant to which it sold for \$2,500 an aggregate of 2.5 million of its common shares, par value \$0.004 per share and a warrant (the “October 2017 Warrant”) to purchase 12.5 million of its common shares at a price of \$1.60 per share to an investor in a private placement (the “October 2017 Private Placement”). These securities were issued in transactions exempt from registration under the Securities Act of 1933, as amended. On that day, Company also entered into a registration rights agreement with the purchaser providing it with certain rights relating to registration under the Securities Act of the 2.5 million common shares issued in connection with the October 2017 Private Placement and the common shares underlying the October 2017 Warrant.

Under the terms of the October 2017 Warrant, the purchaser may not exercise its warrant to the extent such exercise would cause the purchaser, together with its affiliates and attribution parties, to beneficially own a number of common shares which would exceed 4.99% (which may be increased upon no less than 61 days’ notice, but not to exceed 9.99%) of Globus’s then outstanding common shares immediately following such exercise, excluding for purposes of such determination common shares issuable upon exercise of the October 2017 Warrant which have not been exercised. This provision does not limit the purchaser from acquiring up to 4.99% of our common shares, selling all of its common shares, and re-acquiring up to 4.99% of our common shares.

The October 2017 Warrant contains a provision whereby its holder has the right to a cashless exercise if, six months after its issuance, a registration statement covering their resale is not effective. If for any reason the Company is unable to keep such a registration statement active and its share price is higher than the \$1.60 exercise price, the Company could be required to issue shares without receiving cash consideration. The October 2017 Warrant is exercisable for 24 months after its issuance. A registration statement covering this transaction was filed with the U.S. Securities and Exchange Commission and became effective on February 8, 2018.

As of December 31, 2017, in connection with the October 2017 SPA, the October 2017 Warrant was outstanding and exercisable for an aggregate of 12,500,000 common shares.

The Company during 2017 has recorded \$218 expense in connection with these warrants which was deducted from share premium in equity.

During the years ended December 31, 2017, 2016 and 2015, Globus issued 20,937, 47,897 and 18,372 common shares respectively as share-based payments.

Series A Preferred Shares issued	Number of shares	USD
As a January 1, 2015	2,567	2
Issued during the year	-	-
As at December 31, 2015	2,567	2
Issued during the year	-	-
Shares redeemed by the issuer	(2,567)	(2)
As at December 31, 2016	-	-
Issued during the year	-	-
As at December 31, 2017	-	-

The holders of Company’s series A preferred shares were entitled to receive, if funds were 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. Globus’s board of directors or Remuneration Committee would determine whether funds were legally available under the Marshall Islands Business Corporations Act (“BCA”) for such dividend. Any accrued but unpaid dividends would not bear interest. Except as could have been provided in the BCA, holders of the series A preferred shares did not have any voting rights. Upon the Company’s liquidation, dissolution or winding up, the holders of its series A preferred shares would 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. The series A preferred shares were not convertible into any of its other capital stock.

In July 2016 the 2,567 series A preferred shares, granted to the Company’s former Chief Executive Officer were redeemed and as of December 31, 2016, the Company had no series A preferred shares outstanding.

GLOBUS MARITIME LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Amounts presented in thousands of U.S. Dollars- except for share, per share and warrants data, unless otherwise stated)

10 Share Capital and Share Premium (continued)

As of December 31, 2017, 2016 and 2015, no Class B shares were outstanding.

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, the effects of the settlement of the related party loans (note 4) with the issuance of the Company's common shares and the effects of the share based payments described in note 13. Accordingly at December 31, 2017, 2016 and 2015, Globus share premium amounted to \$139,571, \$110,004 and \$109,954, respectively.

11 Loss per Share

On October 20, 2016, the Company effected a four-for-one reverse stock split which reduced number of outstanding common shares from 10,510,741 to 2,627,674 shares (adjustments were made based on fractional shares). Unless otherwise noted, all historical share numbers and per share amounts have been adjusted to give effect to this reverse split.

Basic loss per share ("LPS") is calculated by dividing the net loss for the year attributable to Globus shareholders by the weighted average number of shares issued, paid and outstanding.

Diluted loss per share is calculated by dividing the net 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 Company excluded the dilutive effect of 43,398,209 of potential common shares issuable upon exercise of warrants as their effect was anti-dilutive.

The following reflects the loss and share data used in the basic and diluted loss per share computations:

	For the year ended December 31,		
	2017	2016	2015
Loss for the year	(6,475)	(9,825)	(32,396)
Less: Dividends on preferred shares (note 17)	-	-	(448)
Loss attributable to common equity holders	<u>(6,475)</u>	<u>(9,825)</u>	<u>(32,844)</u>
Weighted average number of shares for basic and diluted LPS	<u>25,749,951</u>	<u>2,603,835</u>	<u>2,566,673</u>

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.	24,937	(101)	24,836
(b) Artful Shipholding S.A. & Longevity Maritime Limited	16,723	(21)	16,702
Total at December 31, 2017	41,660	(122)	41,538
Less: Current Portion	(41,660)	122	(41,538)
Long-Term Portion	<u>-</u>	<u>-</u>	<u>-</u>
Total at December 31, 2016	65,778	(206)	65,572
Less: Current Portion	(23,634)	84	(23,550)
Long-Term Portion	<u>42,144</u>	<u>(122)</u>	<u>42,022</u>

- (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 partially prepaying the then outstanding secured 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.

GLOBUS MARITIME LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Amounts presented in thousands of U.S. Dollars- except for share, per share and warrants data, unless otherwise stated)

12 Long-Term Debt, net (continued)

On March 3, 2015, Devocean et al. drew down \$29,405 as analyzed below and 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.

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, 2017, was \$7,051 payable in 8 equal quarterly installments of \$239 starting, March 2018, as well as a balloon payment of \$5,139 due together with the 8th 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, 2017, was \$8,617 payable in 8 equal quarterly installments of \$230 starting, March 2018, as well as a balloon payment of \$6,777 due together with the 8th 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, 2017, was \$9,269 payable in 8 equal quarterly installments of \$224 starting, March 2018, as well as a balloon payment of \$7,477 due together with the 8th and final installment due in December 2019.

The loan is secured by, among other things:

- 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.
- Assignment of charter in respect of each vessel and an assignment of any guarantee or security in respect of such charters.
- Assignment of any related hedging agreements.

The original loan agreement contains various covenants requiring the vessels owning companies and Globus to 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 the Company'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.

During April 2016, Globus reached an agreement in principle with HSH Nordbank AG and entered into a supplemental agreement dated December 5, 2016 regarding certain amendments and waivers to the terms of the loan agreement to cure the breach of certain covenants as of December 31, 2015. It was agreed that certain financial covenants were relaxed and/or waived for the period from June 3, 2016 to March 3, 2017. It was also agreed that the Company would pay the June 2016 installment using the pledged cash of \$750, that was already deposited in the Bank's accounts and that the scheduled installments due in September and December 2016, each amounting to \$694, would be deferred to the final repayment installment (the "deferred amounts").

As of December 31, 2016, the Company was in compliance with the covenants of HSH Nordbank AG Loan Agreement, as amended and in effect.

On July 10, 2017, the Company entered a Second Supplemental Agreement for the period from March 4, 2017 to March 3, 2018. The main points agreed in this Second Supplemental Agreement were:

- Additional deferrals to the last scheduled repayment date of the principal amount of the loan during the period from June 3, 2016 through March 3, 2018, of \$956 in relation to Devocean, \$920 in relation to Domina, and \$898 in relation to Dulac.
- Deferral fee of 2.5 per cent per annum on the additional deferred amounts calculated from March 4, 2017 until March 3, 2018.
- Prepayment of \$1,000 on or before September 27, 2017, which has been settled.
- Undertaking that the Company to raise at least \$1,800 from its shareholders by December 31, 2017, which has been satisfied.
- Restriction of the borrowers to make distributions or other payments to the Company so long as such additional deferred amounts remain outstanding.

GLOBUS MARITIME LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****(Amounts presented in thousands of U.S. Dollars- except for share, per share and warrants data, unless otherwise stated)****12 Long-Term Debt, net (continued)**

- Waiver from June 3, 2016 through March 3, 2018, of the requirement that the Company maintains a net worth of at least \$30,000 and holds cash on a consolidated basis with its subsidiaries of at least 5% of their consolidated indebtedness.

As of December 31, 2017, the Company was in compliance with the covenants of HSH Nordbank AG Loan Agreement, as amended and in effect.

However, the Company may not be able to meet certain of the relaxed terms included in the supplemental agreement with the bank (Note 2.1) including maintaining a minimum liquidity and minimum net worth once the waiver expire on March 3, 2018 and cannot guarantee that will be able to obtain new waivers or extensions to this waiver. Accordingly, as the Company did not have an unconditional right to defer settlement of the related liability for at least twelve months after the date of the consolidated statement of financial position, the total balance of the loan outstanding to HSH of \$24,836 at December 31, 2017, has been classified as current.

- (b) In June 2011, Globus through its wholly owned subsidiaries, Artful Shipholding S.A. (“Artful”) and Longevity Maritime Limited (“Longevity”), entered into the DVB Loan Agreement for an amount up to \$40,000 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, \$19,000 was drawn down (Tranche A) for the purpose of partly financing the acquisition of the m/v Moon Globe. The balance outstanding at December 31, 2017, of Tranche A is payable in 3 quarterly installments of \$440, starting in June 2018 and a balloon payment of \$7,060 payable together with the 3rd and last installment payable in December 2018. As of December 31, 2017, the outstanding principal balance of Tranche A was \$8,380.

In September 2011, \$18,000 was drawn (Tranche B) for the purpose of partly financing the acquisition of the m/v Sun Globe. The balance outstanding at December 31, 2017, of Tranche B is payable in 4 quarterly installments of \$416.25 and a balloon payment of \$6,678 payable together with the 4th and last installment payable in March 2019. As of December 31, 2017, the outstanding principal balance of Tranche B was \$8,343.

The loan is secured by, among other things:

- 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.
- Account pledges respecting the minimum liquidity accounts and operating accounts of the Company described in the loan agreement.
- Assignment of charter in respect of each vessel, and an assignment of guarantee of charter in respect of m/v Moon Globe.

The original loan agreement and/or the original Globus guarantee contains various covenants requiring the vessels owning companies and/or Globus 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, and minimum liquidity of the lesser of \$10,000 and \$1,000 per vessel owned by the Company.

On April 18, 2016, Globus reached an agreement with the lender on certain amendments and waivers to the terms of the loan agreement in order to cure the non-compliance with certain covenants as of December 31, 2015, 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.
- The covenant for the Company to maintain a minimum tangible net worth of \$50,000 was waived during the third waiver period.

GLOBUS MARITIME LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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12 Long-Term Debt, net (continued)

- The covenant for the ratio of the Company's market adjusted net worth to total assets must be greater than 35% was waived during the third waiver period.
- The above amendments were subject to a \$1,713 prepayment - to be applied against the four quarterly installments of each tranche following the prepayment, which was paid in April, 2016.

On June 23, 2017, the Company entered a new supplemental agreement with the lender, mostly respecting the period commencing on April 1, 2017 and ending on April 1, 2018. The main points agreed in this Supplemental Agreement were:

- Additional deferrals to the last scheduled repayment date of the principal amount of the loan of \$880 in relation to Artful and \$833 in relation to Longevity.
- Payment of \$880 in relation to Artful and \$833 in relation to Longevity on or before September 28, 2017, which has already been settled.
- Value maintenance clause regarding the ships owned by the borrowers in respect of the outstanding principal amount of their loans to decrease to 50% until December 31, 2017; increasing to 105% from January 1, 2018, and to 130% after June 30, 2018.
- Replacing the requirement that George Karageorgiou be the Chief Executive Officer of the Company at all times with the requirement that Athanasios Feidakis be the Chief Executive Officer of the Company at all times after December 28, 2015.
- Waiver from April 1, 2017 through April 1, 2018, of the requirement that the Company on a consolidated basis with its subsidiaries, (i) hold cash of at least \$10,000 or 1,000 per each of its vessels, (ii) maintains a net worth of at least \$50,000, and (iii) maintains a ratio of at least 35% of its market value adjusted assets less liabilities to its market value adjusted assets.
- Back-end fee of 0.75 per cent per annum of the outstanding principal amount of the loan calculated from April 1, 2017 through April 1, 2018.

As of December 31, 2017 and 2016, the Company was in compliance with the loan covenants of the DVB Loan Agreement, as amended and in effect.

However, the Company may not be able to meet certain of the relaxed terms included in the supplemental agreement with the bank (Note 2.1) including maintaining a minimum liquidity and minimum net worth once the waiver expires on April 1, 2018 and cannot guarantee that will be able to obtain new waivers or extensions to this waiver. Accordingly, as the Company did not have an unconditional right to defer settlement of the related liability for at least twelve months after the date of the consolidated statement of financial position, the total balance of the loan outstanding to DVB of \$16,702 at December 31, 2017, has been classified as current.

- (c) In June 2010, Kelty Marine Ltd entered into a loan agreement ("Kelty Loan Agreement") for \$26,650 with Commerzbank AG for the purpose of part financing the acquisition of m/v Jin Star (renamed to Energy Globe). The loan facility was in the name of Kelty Marine Ltd as the borrower and is guaranteed by Globus ("Guarantor").

In March 2016, the Company reached a settlement agreement with Commerzbank AG relating to the Kelty Loan Agreement. Commerzbank AG agreed to settle the then outstanding indebtedness of \$15,650 plus the accrued interest of \$122 in return of the consideration from the sale of the shares of Kelty Marine Ltd. for \$6,860 plus a payment of overdue interest of \$40.7.

The result from the sale of Kelty Marine Ltd. was a gain of \$2,257 (including the partial write-off of the outstanding balance of the Commerzbank AG loan described above), which is classified under "Gain from sale of subsidiary" in the 2016 consolidated statement of comprehensive loss. Globus Shipmanagement Corp., the Company's ship management subsidiary continued to act as Kelty Marine Ltd.'s ship manager at a daily fee of \$900 until June 2016 when the related management agreement expired.

GLOBUS MARITIME LIMITED

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(Amounts presented in thousands of U.S. Dollars- except for share, per share and warrants data, unless otherwise stated)

12 Long-Term Debt, net (continued)

(d) In December 2013, Globus entered into a credit facility for up to \$4,000 with Firment Trading Limited (“the lender”), an affiliate of the Company’s chairman, for the purpose of financing its general working capital needs. The Firment Credit Facility is unsecured and remained available until its termination on April 12, 2017. 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 maturity date was extended from December 16 2015 to April 29, 2016. Globus had 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 \$8,000 to \$20,000 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 an affiliate of the Company’s chairman. Any prepaid amount could be re-borrowed in accordance with the terms of the agreement. Interest on drawn and outstanding amounts was charged at 5% per annum and no commitment fee was charged on the amounts remaining available and undrawn.

As of December 31, 2016 the amount drawn and outstanding with respect to the facility was \$17,435 and there was an amount of \$2,565 available to be drawn (note 4). As of December 31, 2016, the Company was in compliance with the loan covenants of the Firment Credit Facility.

In connection with the February 2017 private placement, as further discussed in note 4, a loan amendment agreement was entered into by the Company with Firment Trading Limited, the lender of the Firment Credit Facility, which then had an outstanding principal amount of \$18,524. Firment Trading Limited released an amount equal to \$16,885 (but left an amount equal to \$1,639 outstanding, which continued to accrue under the Firment Credit Facility as though it were principal) of the Firment Credit Facility and the Company issued to Firment Shipping Inc., an affiliate of Firment Trading Limited, 16,885,000 common shares and a warrant to purchase 6,230,580 common shares at a price of \$1.60 per share. Subsequent to the closing of the February 2017 private placement, Globus repaid the outstanding amount on the Firment Credit Facility in its entirety. The Firment Credit Facility terminated on April 12, 2017.

(e) In January 2016, Globus Maritime Limited entered into a credit facility for up to \$3,000 with Silaner Investments Limited, an affiliate of the Company’s chairman, for the purpose of financing its general working capital needs. The Silaner Credit Facility was unsecured and remained available until its final maturity date on January 12, 2018. The Company had the right to drawdown any amount up to \$3,000 or prepay any amount in multiples of \$100. Any prepaid amount could have been re-borrowed in accordance with the terms of the facility. Interest on drawn and outstanding amounts was charged at 5% per annum and no commitment fee was charged on the amounts remaining available and undrawn.

As of December 31, 2016, the amount drawn and outstanding with respect to the facility was \$3,115 and the Company was in compliance with the covenants of the Silaner Credit Facility.

In connection with the February 2017 private placement, as further discussed in note 4, a loan amendment agreement was entered into by the Company with Silaner Investments Limited, the lender of the Silaner Credit Facility. Silaner Investments Limited released an amount equal to the outstanding principal of \$3,115 (but left an amount equal to \$74 outstanding, which continued to accrue under the Silaner Credit Facility as though it were principal) of the Silaner Credit Facility and the Company issued to Firment Shipping Inc., an affiliate of Silaner Investments Limited, 3,115,000 common shares and a warrant to purchase 1,149,437 common shares at a price of \$1.60 per share. During 2017, the Company drew down \$ 280 under this facility and, before the end of the year, Globus repaid the outstanding amount on the Silaner Credit Facility in its entirety. As of December 31, 2017, no amount was drawn and outstanding with respect to the facility. The Silaner Credit Facility terminated at January 12, 2018.

The contractual annual loan principal payments per bank loan to be made subsequent to December 31, 2017, assuming that the banks will not demand the repayment of the loans before their maturity, were as follows:

	(a)	(b)		Total
	HSH Bank	DVB Bank		
		Tranche (A)	Tranche (B)	
December 31				
2018	2,774	8,380	1,249	12,403
2019	22,163	-	7,094	29,257
2020 and thereafter	-	-	-	-
Total	24,937	8,380	8,343	41,660

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(Amounts presented in thousands of U.S. Dollars- except for share, per share and warrants 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, 2016, were as follows:

	(a) HSH Bank	(b) DVB Bank Tranche (A) Tranche (B)		(d) Firmont Trading Limited	(f) Silaner Investments Limited	Total
December 31						
2017	2,774	1,760	1,665	17,435	-	23,634
2018	2,774	7,940	1,665	-	3,115	15,494
2019	20,388	-	6,262	-	-	26,650
2020 and thereafter	-	-	-	-	-	-
Total	25,936	9,700	9,592	17,435	3,115	65,778

The weighted average interest rate for the years ended December 31, 2017 and 2016, was 3.8% and 3.52%, respectively.

13 Share Based Payment

Share based payment comprise the following:

Year 2017	Number of common shares	Number of preferred shares	Share premium	Retained earnings
Non-executive directors payment(1)	20,937	-	30	-
Balance at December 31, 2017	20,937	-	30	-

(1) These amounts relate to the shares issued in 2017, not to the shares approved for issuance for the year.

Year 2016	Number of common shares	Number of preferred shares	Share premium	Retained earnings
Non-executive directors payment	47,897	-	50	-
Balance at December 31, 2016	47,897	-	50	-

Year 2015	Number of common shares	Number of preferred shares	Share premium	Retained earnings
Non-executive directors payment	18,372	-	60	-
Balance at December 31, 2015	18,372	-	60	-

For the year ended December 31, 2017:

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, 2016:

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:

Upon the former Chief Executive Officer's resignation in July 2016, the 2,567 series A preferred shares, granted to him on April 20, 2012, were redeemed. As of December 31, 2016 there were no series A preferred shares outstanding.

GLOBUS MARITIME LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

(Amounts presented in thousands of U.S. Dollars- except for share, per share and warrants data, unless otherwise stated)

13 Share Based Payment (continued)**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.

14 Voyage Expenses and Vessel Operating Expenses

Voyage expenses and vessel operating expenses in the consolidated statements of comprehensive loss consisted of the following:

Voyage expenses consisted of:

	For the year ended December 31,		
	2017	2016	2015
Commissions	781	468	675
Bunkers expenses	968	593	1,519
Other voyage expenses	143	210	190
Total	1,892	1,271	2,384

Vessel operating expenses consisted of:

	For the year ended December 31,		
	2017	2016	2015
Crew wages and related costs	4,645	4,829	5,919
Insurance	742	798	929
Spares, repairs and maintenance	2,222	1,699	1,664
Lubricants	496	462	534
Stores	783	633	939
Other	247	267	336
Total	9,135	8,688	10,321

15 Administrative Expenses

The amount shown in the consolidated statements of comprehensive loss is analysed as follows:

	For the year ended December 31,		
	2017	2016	2015
Personnel expenses	628	1,040	981
Audit fees	101	111	112
Travelling expenses	3	4	9
Consulting fees	54	28	90
Communication	11	19	15
Stationery	2	2	2
Greek authorities tax (note 20)	116	264	256
Other	309	626	286
Total	1,224	2,094	1,751

GLOBUS MARITIME LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

(Amounts presented in thousands of U.S. Dollars- except for share, per share and warrants data, unless otherwise stated)

16 Interest Expense and Finance Costs

The amounts in the consolidated statements of comprehensive loss are analysed as follows:

	For the year ended December 31,		
	2017	2016	2015
Interest payable on long-term borrowings	1,778	2,430	2,523
Bank charges	34	33	32
Amortization of debt discount	84	128	146
Other finance expenses	325	85	82
Total	2,221	2,676	2,783

17 Dividends

Dividends declared and paid during the years ended December 31, 2017, 2016 and 2015, are as follows:

No dividends were declared or paid on common shares during the year ended December 31, 2017.

No dividends declared or paid on common shares during the year ended December 31, 2016. No dividends declared or paid on the Company's Series A Preferred shares during the year ended December 31, 2016 as well. In July 2016, the 2,567 Series A Preferred shares were redeemed and, as of December 31, 2016, there were no Series A Preferred shares outstanding.

No dividends declared or paid on common shares during the year ended December 31, 2015. Dividends declared and paid on the Company's Series A Preferred shares during the year ended December 31, 2015, were as follows:

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

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

18 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.

19 Commitments

The Company enters into time charter and bareboat charter arrangements on its vessels. These non-cancellable arrangements had remaining terms between six days to two months as of December 31, 2017 and between eleven days to four months as of December 31, 2016, assuming redelivery at the earliest possible date. Future net minimum lease revenues receivable under non-cancellable operating leases as of December 31, 2017 and 2016, were 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):

	2017	2016
Within one year	1,548	1,086
Total	1,548	1,086

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.

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19 Commitments (continued)

At December 31, 2017 and 2016, the Company was a party to an operating lease agreement as lessee (note 4). The operating lease relates to the office premises of the Manager at a monthly rate of Euro 10,360 (absolute amount) and for a lease period ending January 2, 2025.

The future minimum lease payments under this agreement as of December 31, 2017 and 2016, assuming a Euro: US dollar exchange rate for 2017 1:1.20 and for 2016: 1:1.05, were as follows:

	2017	2016
Within one year	149	131
After one year but not more than five years	596	522
More than five years	299	392
Total	1,044	1,045

Total rent expense under operating leases for the years ended December 31, 2017 and 2016, amounted to \$140 and \$138, respectively.

20 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.

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, 2017 and 2016, the tax expense under the law amounted to \$116 and \$264, respectively and is included in administrative expenses in the consolidated statement of comprehensive loss.

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 that earn United States ("U.S.") source shipping income for U.S. federal income tax purposes.

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 are 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, 2017

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 ("gross transportation income"). Absent § 883 or a tax treaty exemption, such income generally would be subject to a 4% gross basis tax, or in certain cases, to a net income tax plus a 30% branch profits tax.

For this purpose, U.S. source gross transportation income includes 50% of the shipping income that is attributable to transportation that begins or ends (but that does not both begin and end) in the United States.

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20 Income Tax (continued)

Shipping income attributable to transportation exclusively between non-U.S. ports is generally not subject to any U.S. Federal income tax.

“Shipping income” generally means income that is derived from:

- (a) the use of vessels;
- (b) the hiring or leasing of vessels for use on a time, operating or bareboat charter basis;
- (c) the participation in a pool, partnership, strategic alliance, joint operating agreement or other joint venture it directly or indirectly owns or participates in that generates such income; or
- (d) the performance of services directly related to those uses.

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 he or she is a resident of a qualified foreign country (which means for this purpose that he or she is fully liable to tax in such country, and maintains a tax home in such country for 183 days or more in the taxable year, or certain other rules apply) and does not own his or her interest in the foreign corporation through bearer shares (except for bearer shares held in a dematerialized or immobilized book entry system), either directly or indirectly by application of the attribution rules. In addition, in order to meet the qualified shareholder test, a foreign corporation will need to obtain certifications from its qualified shareholders (including from intermediary entities) substantiating their stock ownership.

For the year ended December 31, 2017, 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 should not be subject to U.S. federal income tax for the year ended December 31, 2017. 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.

21 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. As of December 31, 2016, 31% of the Company’s bank borrowings were at a fixed rate of interest and as of December 31, 2017, no borrowings were at a fixed rate of interest.

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 loss.

	Increase/Decrease in basis points	Effect on loss
2017		
\$ Libor	+15	(69)
	-20	86
2016		
\$ Libor	+15	(70)
	-20	94

GLOBUS MARITIME LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

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21 Financial risk management objectives and policies (continued)**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 loss 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, 2017 and 2016, was not material.

	Change in rate	Effect on loss
2017	+10%	(251)
	-10%	251
2016	+10%	(254)
	-10%	254

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 accounts receivable is not significant. The maximum exposure is the carrying value of trade accounts 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, 2017, 2016 and 2015:

	2017	%	2016	%	2015	%
A	1,921	13%	-	-	-	-
B	1,516	11%	-	-	-	-
C	1,459	10%	-	-	-	-
D	-	-	1,052	12%	586	5%
E	-	-	925	11%	934	7%
Other	9,496	66%	6,763	77%	11,195	88%
Total	14,392	100%	8,740	100%	12,715	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

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21 Financial risk management objectives and policies (continued)

The table below summarises the maturity profile of the Company's financial liabilities at December 31, 2017, assuming that the banks will not demand the repayment of the loans before their maturity, and 2016, based on contractual undiscounted cash flows.

Year ended December 31, 2017	Less than 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
Long-term debt	1,145	12,989	30,285	-	44,419
Accrued liabilities and other payables	1,455	-	-	-	1,455
Trade payables	4,258	-	-	-	4,258
Total	6,858	12,989	30,285	-	50,132

Year ended December 31, 2016	Less than 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
Long-term debt	1,966	23,268	44,335	-	69,569
Accrued liabilities and other payables	2,609	-	-	-	2,609
Trade payables	4,757	-	-	-	4,757
Total	9,332	23,268	44,335	-	76,935

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, 2017 and 2016. 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%.

	December 31,	
	2017	2016
Interest bearing loans	41,660	65,778
Cash (including restricted cash)	(2,966)	(373)
Net debt	38,694	65,405
Equity	43,968	20,760
Adjustment for the market value of vessels (charter-free)	(31,970)	(46,292)
Adjusted book capitalization	11,998	(25,532)
Adjusted book capitalization plus net debt	50,692	39,873
Ratio	76%	164%

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21 Financial risk management objectives and policies (continued)

The Company's objective is to maintain the ratio of net debt to adjusted capitalization plus net debt 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:

	December 31,	
	2017	2016
Debt in accordance with IFRS (long & short-term borrowings)	41,538	65,572
Add: Unamortized debt discount	122	206
	<u>41,660</u>	<u>65,778</u>
Less: Cash and bank balances and bank deposits (including restricted cash)	2,966	373
Net debt	<u>38,694</u>	<u>65,405</u>

22 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, 2017 and 2016 was \$41,219 and \$62,831 respectively while their carrying value measured at amortised cost as of December 31, 2017 and 2016 was \$41,538 and \$65,572 respectively.

Fair value measurement

The following table provides the fair value measurement hierarchy (as defined in note 2.29) of the Company's liabilities

As at December 31, 2017 and 2016, the Company held the following liabilities measured at or disclose their fair value:

	December 31, 2017	Level 1	Level 2	Level 3
Liabilities for which fair values are disclosed				
Long term borrowings	41,219	-	41,219	-
	December 31, 2016	Level 1	Level 2	Level 3
Liabilities for which fair values are disclosed				
Long term borrowings	62,831	-	62,831	-

There have been no transfers between Level 1 and Level 2 during the years

23 Events after the reporting date**Exercise of Warrants**

Further to the February 2017 private placement, one investor partially exercised his warrant in 2018, purchasing 375,000 of the Company's common shares for aggregate gross proceeds to the Company of approximately \$600.

As of March 9, 2018, in connection with the February 2017 private placement, the February 2017 Warrants outstanding were exercisable for an aggregate of 30,523,209 common shares.

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: March 9, 2018

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, 2017 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: March 9, 2018

By: /s/ Athanasios Feidakis

Name: Athanasios Feidakis

Title: President, Chief Executive Officer and Chief Financial Officer

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the Registration Statements (Form F-3 No. 333-222580 and Form F-3 No. 333-217282) of Globus Maritime Limited of our report dated March 9, 2018, with respect to the consolidated financial statements of Globus Maritime Limited included in this Annual Report (Form 20-F) for the year ended December 31, 2017.

/s/ Ernst & Young (Hellas) Certified Auditors Accountants S.A.

Athens, Greece

March 9, 2018
