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

FORM 20-F

☐ **REGISTRATION STATEMENT PURSUANT TO SECTION 12(B) OR 12(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 31,2021

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 001-33869

STAR BULK CARRIERS CORP.
(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)

c/o Star Bulk Management Inc., 40 Agiou Konstantinou Str., Maroussi 15124, Athens, Greece
(Address of principal executive offices)

Petros Pappas, 011 30 210 617 8400, mgt@starbulk.com,
c/o Star Bulk Management Inc., 40 Agiou Konstantinou Str.
Maroussi 15124, Athens, Greece
(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	Trading Symbol(s)	Name of exchange on which registered
Common Shares, par value $0.01 per share	SBLK	Nasdaq Global Select Market

Securities registered or to be registered pursuant to Section 12(g) of the Act: None

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act: None

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, 2021, there were 102,294,758 common shares issued and 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 report 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 every Interactive Data File required to be submitted 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 such files).

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 whether the registrant has filed a report on and attestation to its management’s assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

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.

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. ☐ Yes ☐ No

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FORWARD-LOOKING STATEMENTS

Star Bulk Carriers Corp. and its wholly owned subsidiaries (the “Company”) desire to take advantage of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 and are including this cautionary statement in connection with this safe harbor legislation. The Private Securities Litigation Reform Act of 1995 provides safe harbor protections for forward-looking statements in order to encourage companies to provide prospective information about their business. Forward-looking statements include statements concerning plans, objectives, goals, strategies, future events or performance, and underlying assumptions and other statements, which are other than statements of historical facts.

This document includes “forward-looking statements,” as defined by U.S. federal securities laws, with respect to our financial condition, results of operations and business and our expectations or beliefs concerning future events. Words such as, but not limited to, “believe,” “expect,” “anticipate,” “estimate,” “intend,” “plan,” “targets,” “projects,” “likely,” “would,” “could,” “should,” “may,” “forecasts,” “potential,” “continue,” “possible” and similar expressions or phrases may identify forward-looking statements.

All forward-looking statements involve risks and uncertainties. The occurrence of the events described, and the achievement of the expected results, depend on many events, some or all of which are not predictable or within our control. Actual results may differ materially from expected results.

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

- general dry bulk shipping market conditions, including fluctuations in charter rates and vessel values;
- the strength of world economies;
- the stability of Europe and the Euro;
- fluctuations in currencies, interest rates and foreign exchange rates, and the impact of the discontinuance of the London Interbank Offered Rate for US Dollars, or LIBOR, after June 30, 2023 on any of our debt referencing LIBOR in the interest rate;
- business disruptions due to natural and other disasters or otherwise, such as the ongoing novel coronavirus (“COVID-19”) pandemic;
- the length and severity of epidemics and pandemics, including COVID-19 and its impact on the demand for seaborne transportation in the dry bulk sector;
- changes in supply and demand in the dry bulk shipping industry, including the market for our vessels and the number of newbuildings under construction;
- the potential for technological innovation in the sector in which we operate and any corresponding reduction in the value of our vessels or the charter income derived therefrom;
- changes in our operating expenses, including bunker prices, dry docking, crewing and insurance costs;
- changes in governmental rules and regulations or actions taken by regulatory authorities;

- potential liability from pending or future litigation and potential costs due to environmental damage and vessel collisions;
- the impact of increasing scrutiny and changing expectations from investors, lenders, charterers and other market participants with respect to our Environmental, Social and Governance ("ESG") practices;
- our ability to carry out our ESG initiatives and thereby meet our ESG goals and targets including as set forth under Item 4. Information on the Company—B. Business Overview—Our ESG Performance;
- new environmental regulations and restrictions, whether at a global level stipulated by the International Maritime Organization, and/or regional/national imposed by regional authorities such as the European Union or individual countries;
- potential cyber-attacks which may disrupt our business operations;
- general domestic and international political conditions or events, including "trade wars" and the recent conflicts between Russia and Ukraine;
- the impact on our common shares and reputation if our vessels were to call on ports located in countries that are subject to restrictions imposed by the U.S. or other governments;
- our ability to successfully compete for, enter into and deliver our vessels under time charters or other employment arrangements for our existing vessels after our current charters expire and our ability to earn income in the spot market;
- potential physical disruption of shipping routes due to accidents, climate-related reasons (acute and chronic), political events, public health threats, international hostilities and instability, piracy or acts by terrorists;
- the availability of financing and refinancing;
- the failure of our contract counterparties to meet their obligations;
- our ability to meet requirements for additional capital and financing to grow our business;
- the impact of our indebtedness and the compliance with the covenants included in our debt agreements;
- vessel breakdowns and instances of off-hire;
- potential exposure or loss from investment in derivative instruments;
- potential conflicts of interest involving our Chief Executive Officer, his family and other members of our senior management;
- our ability to complete acquisition transactions as and when planned and upon the expected terms;
- the impact of port or canal congestion or disruptions; and
- other important factors described in "Item 3. Key Information—D. Risk Factors" in this annual report.

We have based these statements on assumptions and analyses formed by applying our experience and perception of historical trends, current conditions, expected future developments and other factors we believe are appropriate in the circumstances. All future written and verbal forward-looking statements attributable to us or any person acting on our behalf are expressly qualified in their entirety by the cautionary statements contained or referred to in this section. We undertake no obligation, and specifically decline any obligation, except as required by law, to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. In light of these risks, uncertainties and assumptions, the forward-looking events discussed in this annual report might not occur.

See the section entitled "Item 3. Key Information—D. Risk Factors" of this annual report on Form 20-F for the year ended December 31, 2021 for a more complete discussion of these risks and uncertainties and for other risks and uncertainties. These factors and the other risk factors described in this annual report are not necessarily all of the important factors that could cause actual results or developments to differ materially from those expressed in any of our forward-looking statements. Other unknown or unpredictable factors also could harm our results. Consequently, there can be no assurance that actual results or developments anticipated by us will be realized or, even if substantially realized, that they will have the expected consequences to, or effects on, us. Given these uncertainties, prospective investors are cautioned not to place undue reliance on such forward-looking statements.

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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

Throughout this annual report, the terms "Company," "Star Bulk," "we," "us" and "our" all refer to Star Bulk Carriers Corp. and its wholly owned subsidiaries. We use the term deadweight ton ("dwt") in describing the size of vessels. Dwt, expressed in metric tons, each of which is equivalent to 1,000 kilograms, refers to the maximum weight of cargo and supplies that a vessel can carry. We own and operate dry bulk vessels of seven sizes:

1. Newcastlemax, which are vessels with carrying capacities of between 200,000 dwt and 210,000 dwt;

2. Capesize, which are vessels with carrying capacities of between 100,000 dwt and 200,000 dwt;

3. Post Panamax, which are vessels with carrying capacities of between 90,000 dwt and 100,000 dwt;

4. Kamsarmax, which are vessels with carrying capacities of between 80,000 dwt and 90,000 dwt;

5. Panamax, which are vessels with carrying capacities of between 65,000 and 80,000 dwt;

6. Ultramax, which are vessels with carrying capacities of between 60,000 and 65,000 dwt; and

7. Supramax, which are vessels with carrying capacities of between 50,000 and 60,000 dwt.

Unless otherwise indicated, all references to "Dollars" and "$" in this annual report are to U.S. Dollars and all references to "Euro" and "€" in this annual report are to Euros.

We are a global shipping company providing worldwide seaborne transportation solutions in the dry bulk sector. Our vessels transport major bulks, which include iron ore, coal and grain and minor bulks which include bauxite, fertilizers and steel products. We were incorporated in the Marshall Islands on December 13, 2006 and maintain offices in Athens, Oslo, New York, Limassol, Singapore and Germany. Our common shares trade on the Nasdaq Global Select Market under the symbol "SBLK." We have a fleet of 128 vessels, with an aggregate capacity of 14.1 million dwt, consisting of Newcastlemax, Capesize, Post Panamax, Kamsarmax, Panamax, Ultramax and Supramax vessels with carrying capacities between 52,425 dwt and 209,529 dwt.

Oaktree

Oaktree Capital Management, L.P., together with its affiliates ("Oaktree") is our largest shareholder. Oaktree is a leader among global investment managers specializing in alternative investments, with $ 166 billion in assets under management as of December 2021. The firm emphasizes an opportunistic, value-oriented and risk-controlled approach to investments in distressed debt, corporate debt (including high yield debt and senior loans), control investing, convertible securities, real estate and listed equities. Headquartered in Los Angeles, the firm has over 1000 employees and offices in 19 cities worldwide. See "Item 7. Major Shareholders and Related Party Transactions" for a discussion on the various limitations on the transfer and voting of our common shares by Oaktree.

A. [Reserved]

B. Capitalization and Indebtedness

Not Applicable.

C. Reasons for the Offer and Use of Proceeds

Not Applicable.

D. Risk factors

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 or the trading price of our common shares.

Risks Related to Our Industry

Charter rates for dry bulk vessels are volatile and may decrease in the future, which may adversely affect our earnings and our ability to comply with our loan covenants.

The dry bulk shipping industry continues to be cyclical with high volatility in charter rates and profitability among the various types of dry bulk vessels. In 2021, charter rates for dry bulk vessels increased significantly from lower levels that prevailed during previous years. The Baltic Dry Index, or the “BDI”, an index published by The Baltic Exchange of shipping rates for key dry bulk routes, declined in 2020, principally as a result of the global economic slowdown caused by the COVID-19 pandemic. However, strong global growth and increased infrastructure spending has led to a rise in demand for commodities, which combined with a historically low orderbook and port delays and congestion, resulted in an increase in BDI in 2021. See “Item 4. Information on the Company- Business Overview - The International Dry Bulk Shipping Industry” for further details.

Charter rate fluctuations result from changes in the supply of and demand for vessel capacity and major commodities carried on water internationally. Because most factors affecting the supply of and demand for vessels are outside of our control and are unpredictable, the nature, timing, direction and degree of changes in charter rates are also unpredictable. Since we charter our vessels principally in the spot market, we are exposed to the spot market’s cyclicality and volatility. Factors that influence the demand for dry bulk vessel capacity include: supply of and demand for energy resources, commodities, and semi-finished consumer and industrial products and the location of consumption versus the location of their regional and global exploration, production or manufacturing facilities; the globalization of production and manufacturing; global and regional economic and political conditions and developments, including armed conflicts and terrorist activities; natural disasters and weather; pandemics, such as the COVID-19 pandemic; embargoes and strikes; disruptions and developments in international trade, including trade disputes or the imposition of tariffs on various commodities or finished goods; changes in seaborne and other transportation patterns, including the distance cargo is transported by sea; environmental and other legal regulatory developments; and currency exchange rates. Factors that influence the supply of dry bulk vessel capacity include: the number of newbuilding orders and deliveries including slippage in deliveries; number of shipyards and ability of shipyards to deliver vessels; port and canal congestion; speed of vessel operation; vessel casualties; the degree of recycling of older vessels, depending, among other things, on recycling rates and international recycling regulations; number of vessels that are out of service, namely those that are laid-up, dry docked, awaiting repairs or otherwise not available for hire; availability of financing for new vessels and shipping activity; changes in national or international regulations that may effectively cause reductions in the carrying capacity of vessels or early obsolescence of tonnage; and changes in environmental and other regulations that may limit the useful lives of vessels. 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.

As described above, many of the 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. If we are required to charter our vessels at a time when demand and charter rates are very low, we may not be able to secure employment for our vessels at all, or we may have to accept reduced and potentially unprofitable rates. If we are unable to secure profitable employment for our vessels, we may decide to lay-up some or all unemployed vessels until such time that charter rates become attractive again. During the lay-up period, we will continue to incur some expenditures, such as insurance and maintenance costs, for each such vessel. Additionally, before exiting lay-up, we will have to pay reactivation costs for any such vessel to regain its operational condition. As a result, adverse economic, political, social or other developments could have a material adverse effect on our business, results of operations and cash flows, ability to pay dividends and compliance with covenants in our credit facilities.

Our financial results and operations may be adversely affected by the ongoing COVID-19 pandemic, and related governmental responses thereto.

Since the beginning of calendar year 2020, the COVID-19 pandemic has resulted in numerous actions taken by governments and governmental agencies in an attempt to mitigate the spread or any resurgence of the virus, including travel bans, quarantines, and other emergency public health measures such as lockdown measures. These measures resulted in a significant reduction in global economic activity and extreme volatility in the global financial markets. While many of these measures have since been relaxed, we cannot predict whether and to what degree such measures will be reinstituted in the event of any resurgence in the COVID-19 virus or any variants thereof. The COVID-19 pandemic and measures to contain its spread have negatively impacted regional and global economies and trade patterns in markets in which we operate, the way we operate our business, and the businesses of our charterers and suppliers. These negative impacts could continue or worsen, even after the pandemic itself diminishes or ends. Companies, including us, have also taken precautions, such as requiring employees to work remotely and imposing travel restrictions, while some other businesses have been required to close entirely. Moreover, we face significant risks to our personnel and operations due to COVID-19. Our crews face risk of exposure to COVID-19 as a result of travel to ports where COVID-19 cases have been reported. Our shore-based personnel likewise face risk of such exposure, as we maintain offices in areas impacted by the spread of COVID-19.

Measures against COVID-19 in a number of countries have restricted crew rotations on our vessels, which may continue or become more severe. As a result, in 2020 and 2021, we experienced and may continue to experience disruptions to our normal vessel operations caused by increased deviation time associated with positioning our vessels to countries in which we can undertake a crew rotation in compliance with such measures. Delays in crew rotations have led to issues with crew fatigue and may continue to do so, which may result in delays or other operational issues. We have had and may continue to have increased expenses due to incremental fuel consumption and days in which our vessels are unable to earn revenue in order to deviate to certain ports on which we would ordinarily not call during a typical voyage. We may also incur additional expenses associated with testing, personal protective equipment, quarantines, and travel expenses such as airfare costs in order to perform crew rotations in the current environment. In 2020 and 2021, delays in crew rotations have also caused us to incur additional costs related to crew bonuses paid to retain the existing crew members on board and may continue to do so. Moreover, COVID-19 and governmental and other measures related to it have led to a highly difficult environment in which to acquire and dispose of vessels. The ability and willingness to consummate vessel transactions has been limited as a result of general economic conditions, the availability of financing, and their ability to inspect vessels. The impact of COVID-19 has also resulted in periodic reduction of industrial activity globally with temporary closures of factories and other facilities, labor shortages and restrictions on travel on a regional basis, depending on the spread of COVID-19 in each particular geography. We believe these disruptions along with other seasonal factors, including lower demand for some of the cargoes we carry such as iron ore and coal, contributed to lower dry bulk rates in 2020. This and future epidemics may affect personnel operating payment systems through which we receive revenues from the chartering of our vessels or pay for our expenses, resulting in delays in payments. We continue to focus on our employees' well-being, whilst making sure that their operations continue undisrupted and at the same time, adapting to the new ways of operating. As such employees are encouraged and in certain cases required to operate remotely which significantly increases the risk of cyber security attacks.

The occurrence or recurrence of any of the foregoing events or other epidemics or an increase in the severity or duration of the COVID-19 or other epidemics could have a material adverse effect on our business, results of operations, cash flows, financial condition, value of our vessels, and ability to pay dividends.

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

The world economy is currently facing a number of ongoing challenges as a result of the economic impact of and global response to the COVID-19 pandemic, as well as recent turmoil and hostilities in various regions, including Syria, Iraq, North Korea, Venezuela, North Africa and Ukraine. The weakness in the global economy has caused, and may continue to cause, a decrease in worldwide demand for certain goods and, thus, shipping.

Beginning in February of 2022, President Biden and several European leaders announced various economic sanctions against Russia in connection with the aforementioned conflicts in the Ukraine region, which may adversely impact our business. Our business could also be adversely impacted by trade tariffs, trade embargoes or other economic sanctions that limit trading activities by the United States or other countries against countries in the Middle East, Asia or elsewhere as a result of terrorist attacks, hostilities or diplomatic or political pressures. On March 8, 2022, President Biden issued an executive order prohibiting the import of certain Russian energy products into the United States, including crude oil, petroleum, petroleum fuels, oils, liquefied natural gas and coal. Additionally, the executive order prohibits any investments in the Russian energy sector by US persons, among other restrictions. Our vessels *Star Pavlina, Star Helena* and *Star Laura* are currently berthed in three different ports of Ukraine, evacuated from crew who have safely exited Ukraine. All three vessels, under charterers' instructions, had arrived to load various grain cargos, well ahead of the commencement of the war activities, but at the time of the invasion, the loading operations were suspended by the port authorities. The Company had been intensively exploring options with the charterers to navigate the vessels safely out of the ports but unfortunately the ports were shut down and safe passages were impossible. The Company has deployed security personnel to board the vessels for protection until such time that other crew may board again and have the vessels sail away to safer seas. In addition to standard industry vessel risk insurance, war risk insurance is in place for all three vessels and war risk insurers have confirmed that they hold the vessels covered at their current position in Ukraine which includes Hull and Machinery and Increased Value insurance and War loss of Hire for 180 days. The Company believes that the vessels remain on hire and hire continues payable under the relevant charter party clauses.

The U.K. formally exited the EU on January 31, 2020 (informally known as "Brexit). On December 24, 2020, the U.K. and EU entered into a trade and cooperation agreement (the "Trade and Cooperation Agreement"), which was entered into force on May 1, 2021 following ratification by the EU. Brexit has led to ongoing political and economic uncertainty and periods of increased volatility in both the U.K. and in wider European markets for some time. Brexit's long-term effects will depend on the effects of the implementation and application of the Trade and Cooperation Agreement and any other relevant agreements between the U.K. and EU. Brexit has also given rise to calls of other EU member states' governments to consider withdrawal. These developments and uncertainties, or the perception that they may occur, have had and may continue to have a material adverse effect on global economic conditions and the stability of global financial markets, and may significantly reduce global market liquidity and restrict the ability of key market participants to operate in certain financial markets. Additionally, Brexit or similar events in other jurisdictions, could impact global markets, including foreign exchange and securities markets. The foregoing factors could depress economic activity and restrict our access to capital, causing a material adverse effect on our business and on our consolidated financial position, results of operations and our ability to pay distributions.

The U.S. government has recently made statements and taken certain actions that may lead to potential changes to U.S. and international trade policies, including recently-imposed tariffs affecting certain Chinese industries. It is unknown whether and to what extent new tariffs (or other new laws or regulations) will be adopted, or the effect that any such actions would have on us or our industry. If any new tariffs, legislation and/or regulations are implemented, or if existing trade agreements are renegotiated or, in particular, if the U.S. government takes retaliatory trade actions due to the recent U.S.-China trade tension, such changes could have an adverse effect on our business, financial condition, and results of operations.

Economic slowdown in the Asia Pacific region, particularly in China, may have a materially adverse 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. We conduct a substantial portion of our business in China or with Chinese counter parties. Changes in the economic conditions of China, and policies adopted by the government to regulate its economy, including with regards to tax matters and environmental concerns (such as achieving carbon neutrality), and their implementation by local authorities could affect our vessels that are either chartered to Chinese customers or that call to Chinese ports, our vessels that undergo dry docking at Chinese shipyards and the financial institutions with whom we have entered into financing agreements, and could have a material adverse effect on our business, results of operations and financial condition.

While global economic conditions have generally improved, relatively weak global economic conditions have had 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 one or more of these events could have a material adverse effect on our business, results of operations, cash flows and financial condition.

A decline in the market values of our vessels could limit the amount of funds that we can borrow, cause us to breach certain financial covenants in our credit facilities, result in impairment charges or losses on sale.

The fair market values of dry bulk vessels have generally experienced high volatility. The fair market value of our vessels depends on a number of factors, including: prevailing level of charter rates, general economic and market conditions affecting the shipping industry, types, sizes and ages of vessels, supply of and demand for vessels, other modes of transportation, distressed asset sales, including newbuilding contract sales below acquisition costs due to lack of financing, cost of newbuildings, governmental or other regulations, the need to upgrade vessels as a result of charterer requirements, technological advances in vessel design or equipment or otherwise, changes in environmental and other regulations that may limit the useful life of vessels, technological advances; and competition from other shipping companies and other modes of transportation. If the fair market value of our vessels declines, we might not be in compliance with various covenants in our ship financing facilities, some of which require the maintenance of a certain percentage of fair market value of the vessels securing the facility to the principal outstanding amount of the loans under the facility or a maximum ratio of total liabilities to market value adjusted total assets or a minimum market value adjusted net worth. In addition, if the fair market value of our vessels declines, our access to additional funds may be affected or we may need to record impairment charges in our consolidated financial statements or incur loss on sale of vessels which can adversely affect our financial results. Conversely, if vessel values are elevated at a time when we wish to acquire additional vessels, the cost of such acquisitions may increase and this could adversely affect our business, results of operations, cash flow and financial condition.

We are subject to complex laws and regulations, including environmental regulations, international safety regulations and vessel requirements imposed by classification societies that can adversely affect the cost, manner or feasibility of doing business.

Our operations are subject to numerous international, national, state and local laws, regulations, treaties and conventions in force in international waters and the jurisdictions in which our vessels operate or are registered, which can significantly affect the ownership and operation of our vessels. See “Information on the Company – Business Overview - Environmental and Other Regulations in the Shipping Industry” for further details. Compliance with such requirements may require vessels to be altered, costly equipment to be installed (such as ballast water treatment systems or “BWTS”) or operational changes to be implemented and may decrease the resale value or reduce the useful lives of our vessels or require us to obtain certain permits or authorizations prior to commencing operations. Such compliance costs could have a material adverse effect on our business, financial condition and results of operations. If any vessel does not comply (i.e. fails to maintain its class or fails any annual, intermediate or special survey) the vessel will be unable to trade between ports and will be unemployable and uninsurable until such failures are remedied, which could negatively impact our results of operations and financial condition. In addition, given frequent regulatory changes, we cannot predict their effect on our ability to do business, the cost of complying with them, or their impact on vessels’ useful lives or resale value. Our failure to comply with any such conventions, laws, or regulations could cause us to incur substantial liability.

Increasing scrutiny and changing expectations from investors, lenders, charterers and other market participants with respect to our ESG practices may impose additional costs on us or expose us to additional risks.

Companies across all industries are facing increasing scrutiny relating to their ESG policies from investor advocacy groups, certain institutional investors, lenders, charterers and other market participants (collectively, the

"Market Participants"), who, in recent years, have focused on the implications and social cost of their investments. Such increased attention and activism related to ESG and similar matters (such as climate change) may hinder access to capital, as the Market Participants may decide to reallocate capital or to not commit capital as a result of their assessment of a company's ESG practices, and may also affect the commercial tradability of our vessels should our vessels not comply with charterers' ESG requirements. For example, due to such increasing pressures from the Market Participants to prioritize sustainable energy practices, reduce our carbon footprint, and promote sustainability, we may be required to implement more stringent ESG procedures or standards so that our existing and future Market Participants remain invested in us, make further investments in us and continue chartering our vessels. However, if we do not adapt to or comply with such evolving expectations and standards, or are perceived to have not responded appropriately to the growing concern for ESG issues, regardless of whether there is a legal requirement to do so, we may suffer from reputational damage and our business, financial condition, and/or stock price could be materially and adversely affected. Furthermore, certain Market Participants in the equity and debt capital markets may exclude transportation companies, such as us, from their investing portfolios altogether due to ESG factors, which may affect our ability to grow, as our plans for growth may include accessing the foregoing markets. If those markets are unavailable, or if we are unable to access alternative means of financing on acceptable terms, or at all, we may be unable to implement our business strategy, which would have a material adverse effect on our financial condition and results of operations and impair our ability to service our indebtedness. Overall, it is likely that we will incur additional costs and require additional resources to monitor, report and comply with wide ranging ESG requirements. The occurrence of any of the foregoing could have a material adverse effect on our business and financial condition. Please See "Item 4. Information on the Company—B. Business Overview—Our ESG Performance" for additional information with respect to our ongoing ESG efforts.

Increased inspection procedures, tighter import and export controls and new security regulations could increase costs and cause disruption of our business.

International shipping is subject to security and customs inspection and related procedures in countries of origin, destination and trans-shipment points. Under the U.S. Maritime Transportation Security Act of 2002 (the "MTSA"), the United States Coast Guard ("USCG") issued regulations requiring the implementation of certain security requirements aboard vessels operating in waters subject to the jurisdiction of the United States and at certain ports and facilities. These security procedures can result in the seizure of contents of our vessels, delays in the loading, offloading, trans-shipment or delivery and the levying of customs duties, fines or other penalties against us. Changes to inspection procedures could impose additional financial and legal obligations on us, could also impose additional costs and obligations on our customers and may, in certain cases, render the shipment of certain types of cargo uneconomical or impractical. These additional costs could reduce the volume of goods shipped, resulting in a decreased demand for vessels and have a negative effect on our business, financial condition, cash flows, results of operations and our ability to pay dividends.

The operation of dry bulk carriers entails certain operational risks that could affect our earnings and cash flow.

The international shipping industry faces inherent risks involving global operations. Our vessels and their cargoes risk damage or loss as a result of events including, but not limited to, marine disasters, bad weather, mechanical failures, human error, environmental accidents, war, terrorism, piracy and other circumstances or events. In addition, transporting cargoes across a wide variety of international jurisdictions creates a risk of business interruptions due to political circumstances in foreign countries, hostilities, labor strikes and boycotts, the potential for changes in tax rates or policies, and the potential for government expropriation of our vessels. Any of these events may result in loss of revenues, increased costs and decreased cash flows to our customers, which could impair their ability to make payments to us under our charters. Furthermore, the operation of dry bulk carriers has certain unique risks as: (i) dry bulk cargo itself and its interaction with the vessel can be an operational risk, (ii) dry bulk cargoes are often heavy, dense and easily shifted and react badly to water exposure, and (iii) dry bulk carriers are often subjected to battering treatment during unloading operations with grabs, jackhammers (to pry encrusted cargoes out of the hold) and small bulldozers, causing damage to the vessel. Vessels damaged due to treatment during unloading procedures may be more susceptible to breach at sea. Hull breaches in dry bulk carriers may lead to the flooding of the vessels' holds. If flooding occurs in the forward holds, the bulk cargo may become so waterlogged that the bulkhead may buckle under the resulting pressure, leading to loss of a vessel. If we are unable to adequately maintain our vessels, we may be unable to prevent these events. If our vessels suffer damage, they may need to be repaired at a drydocking facility for substantial and unpredictable costs that may not be fully covered by insurance. Space at drydocking facilities is sometimes limited, and not all drydocking facilities are conveniently located. The total loss or damage of any of our vessels or cargoes could harm our reputation as a safe and reliable vessel owner and operator. Any of these circumstances or events may have a material adverse effect on our business, results of operations, cash flows and financial condition.

If our vessels call on ports or territories located in countries that are subject to restrictions, sanctions, or embargoes imposed by the United States government, the EU, the UN, or other governments, it could lead to monetary fines or other penalties and adversely affect our reputation and the price for our common shares.

Although we do not expect our vessels to call on ports located in countries or territories subject to country or territory-wide sanctions or embargoes imposed by the United States, European Union, United Nations, or other governments and authorities, in violation of applicable laws, it is possible that, without our consent, our vessels may call on ports located in such countries or territories in the future in violation of applicable law. The applicable sanctions and embargo laws and regulations vary in their application, as they do not all apply to the same covered persons or proscribe the same activities, and such sanctions and embargo laws and regulations may be amended or expanded over time.

We endeavor to take precautions to ensure that our customers are prohibited from entering any countries or conducting any trade which will breach U.S. government, EU, UN or any applicable sanctions regulation However, on such customers' instructions, and without our consent, there is a risk that our vessels may call on ports in countries or territories that violate such sanctions or embargoes. Any violation of sanctions or embargo laws and regulations could result in fines or other penalties and could result in some investors deciding, or being required, to divest their interest, or not to invest, in us. Additionally, some investors may decide to divest their interest, or not to invest, in us simply because our vessels called a sanctionable area, even if that call would not breach any applicable sanctions regulation, or we do business with companies that do business in sanctioned countries. 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. War, terrorism, civil unrest and governmental actions in these and surrounding countries may adversely affect investor perception of the value of our common stock.

Fuel, or bunker, prices and marine fuel availability may adversely affect our profits.

Since we expect to primarily employ our vessels in the spot market, we expect that vessel fuel, known as bunkers, will be one of the largest single expense items in our shipping operations for our vessels. Changes in fuel prices may adversely affect our profitability. The price and supply of fuel are unpredictable and fluctuate based on events outside our control, including geopolitical developments (such as the ongoing military conflict between Russia and Ukraine), 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 our profitability and competitiveness of our business versus other forms of transportation, such as truck or rail. Lastly, if sulfur emissions regulations are relaxed in the future, or if the cost differential between low sulfur fuel and high sulfur fuel is lower than anticipated, we may not realize the economic benefits or recover the cost of the Scrubber Retrofitting Program, as further defined below under "Item 4. Information on the Company - B. Business Overview – Our Fleet." As a result, we may experience a material, adverse effect on our financial condition and results of operations due to any of the foregoing changes.

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

Our vessels may call in ports where smugglers attempt to hide drugs and other contraband on vessels, with or without the knowledge of crew members. To the extent 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 or restrictions which could have an adverse effect on our reputation, business, financial condition, results of operations and cash flows.

Maritime claimants could arrest one or more of our vessels, which could interrupt our cash flow.

Crew members, suppliers of goods and services to a vessel, shippers of cargo and other parties may be entitled to a maritime lien against a vessel for unsatisfied debts, claims or damages. In many jurisdictions, a claimant may seek to obtain security for its claim by arresting a vessel through foreclosure proceedings. The arrest or attachment of one or more of our vessels could interrupt our cash flow and require us to pay large sums of money to have the arrest or attachment lifted. In addition, in some jurisdictions, such as South Africa, under the "sister ship" theory of liability, a claimant may arrest both the vessel which is subject to the claimant's maritime lien and any "associated" vessel, which is any vessel owned or controlled by the same owner. Claimants could attempt to assert "sister ship" liability against 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, resulting in a loss of earnings.

A government could requisition one or more of our vessels for title or for hire. Requisition for title occurs when a government takes control of a vessel and becomes its owner, while requisition for hire occurs when a government takes control of a vessel and effectively becomes its charterer at dictated charter rates. Generally, requisitions occur during periods of war or emergency, although governments may elect to requisition vessels in other circumstances. Although we would be entitled to compensation in the event of a requisition of one or more of our vessels, the amount and timing of payment would be uncertain. Government requisition of one or more of our vessels may negatively impact our revenues.

Failure to comply with the U.S. Foreign Corrupt Practices Act (the "FCPA") and other anti-corruption laws could result in fines, criminal penalties, charter terminations and an adverse effect on our business.

We may operate in a number of countries throughout the world, including countries known to have a reputation for corruption. We are committed to doing business in accordance with applicable anti-corruption laws, including the FCPA. We are subject, however, to the risk that we, our affiliated entities or respective officers, directors, employees and agents may take actions determined to be in violation of such anti-corruption laws. Any such violation could result in substantial fines, sanctions, civil and/or criminal penalties and curtailment of operations in certain jurisdictions, and might adversely affect our business, results of operations or financial condition. In addition, actual or alleged violations could damage our reputation and ability to do business. Furthermore, detecting, investigating, and resolving actual or alleged violations is expensive and time- and attention-consuming for our senior management.

Because we generate all of our revenues in U.S. dollars but incur a portion of our expenses in other currencies, exchange rate fluctuations could have an adverse impact on our results of operations.

We generate all of our revenues in U.S. dollars, and the majority of our expenses are denominated in U.S. dollars. However, a portion of our ship operating and administrative expenses are denominated in currencies other than U.S. dollars. If our expenditures on such costs and fees were significant, and the U.S. dollar were weak against such currencies, our business, results of operations, cash flows, financial condition and ability to pay dividends could be adversely affected.

Our operating results are subject to seasonal fluctuations.

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 volatility in our operating results to the extent that we enter into new charter agreements or renew existing agreements during a time when charter rates are weaker or we operate our vessels on the spot market or index based time charters, which may result in quarter-to-quarter volatility in our operating results. The dry bulk sector is typically stronger during the second half of the year in anticipation of increased consumption of coal and other raw materials in the northern hemisphere. In addition, unpredictable weather patterns in these months tend to disrupt vessel scheduling and supplies of certain commodities. Since we charter our vessels principally in the spot market, our revenues from our dry bulk carriers may be weaker during the fiscal quarters ended March 31 and June 30, and stronger during the fiscal quarters ended September 30 and December 31.

Risks Related to Our Company

We may face liquidity issues if conditions in the dry bulk market worsen for a prolonged period and failure to comply with the terms of our debt agreements could adversely affect our business

If the dry bulk shipping market declines over a prolonged period of time, we may have insufficient liquidity to fund ongoing operations or satisfy our obligations under our credit facilities, which may lead to a default under one or more of our credit facilities. In addition, our outstanding debt agreements impose on us certain operating and financial restrictions and require us or our subsidiaries to maintain various financial ratios. See "Item 5 Operating and Financial Review and Prospects - Liquidity and Capital Resources - Senior Secured Credit Facilities - Credit Facility Covenants" for further details. Therefore, we may need to seek permission from our lenders in order to engage in certain corporate actions, which permission we may be unable to obtain. This may prevent us from taking actions that are in our best interest and from executing our business strategy and may limit our ability to pay dividends and finance our future operations. Further, a breach of any of the covenants in, or our inability to maintain the required financial ratios under, our debt agreements could result in a default thereunder. If a default occurs under our credit facilities, the lenders could elect to declare the outstanding debt, together with accrued interest and other fees, to be immediately due and payable and foreclose on the collateral securing that debt, which could constitute all or substantially all of our assets (considering the cross default provisions included in our debt agreements), which would have a material adverse effect on our business, results of operations and financial condition.

Volatility in the London Interbank Offered Rate ("LIBOR"), the cessation of LIBOR and replacement of our interest rate in our debt agreements could affect our earnings and cash flow.

Our indebtedness accrues interest based on LIBOR, which has been historically volatile. The publication of U.S. Dollar LIBOR for the one-week and two-month U.S. Dollar LIBOR tenors ceased on December 31, 2021, and the ICE Benchmark Administration ("IBA"), the administrator of LIBOR, with the support of the United States Federal Reserve and the United Kingdom's Financial Conduct Authority, announced the publication of all other U.S. Dollar LIBOR tenors will cease on June 30, 2023. The United States Federal Reserve concurrently issued a statement advising banks to cease issuing U.S. Dollar LIBOR instruments after 2021. As such, any new debt agreements we enter into will not use LIBOR as an interest rate, and we will need to transition our existing loan agreements from U.S. Dollar LIBOR to an alternative reference rate prior to June 2023. In response to the anticipated discontinuation of LIBOR, working groups are converging on alternative reference rates. The Alternative Reference Rate Committee, a committee convened by the Federal Reserve that includes major market participants, has proposed an alternative rate to replace U.S. Dollar LIBOR: the Secured Overnight Financing Rate, or "SOFR." At this time, it is not possible to predict how markets will respond to SOFR or other alternative reference rates. The impact of such a transition from LIBOR to SOFR or another alternative reference rate could be significant for us. In order to manage our exposure to interest rate fluctuations under LIBOR, SOFR or any other alternative rate, we have and may from time to time use interest rate derivatives to effectively fix some of our floating rate debt obligations. No assurance can however be given that the use of these derivative instruments, if any, may effectively protect us from adverse interest rate movements. The use of interest rate derivatives may affect our results through mark to market valuation of these derivatives. Also, adverse movements in interest rate derivatives may require us to post cash as collateral, which may impact our free cash position. Interest rate derivatives may also be impacted by the transition from LIBOR to SOFR.

We rely on our information systems to conduct our business, and failure to protect these systems against security breaches could adversely affect our business.

The safety and security of our vessels and efficient operation of our business, including processing, transmitting and storing electronic and financial information, depends on computer hardware and software systems, which are increasingly vulnerable to security breaches and other disruptions. Our vessels rely on information systems for a significant part of their operations, including navigation, provision of services, propulsion, machinery management, power control, communications and cargo management. We have in place safety and security measures on our vessels and onshore operations to secure our vessels against cyber-security attacks and any disruption to their information systems. However, these measures and technology may not adequately prevent security breaches despite our continuous efforts to upgrade and address the latest known threats, which are constantly evolving and have become increasing sophisticated. If these threats are not recognized or detected until they have been launched, we may be unable to anticipate these threats and may not become aware in a timely manner of such a security breach, which could

exacerbate any damage we experience. A disruption to the information system of any of our vessels could lead to, among other things, incorrect routing, collision, grounding and propulsion failure. Beyond our vessels, we rely on industry accepted security measures and technology to securely maintain confidential and proprietary information maintained on our information systems. However, these measures and technology may not adequately prevent security breaches. In addition, the foregoing events could result in violations of applicable privacy and other laws. If confidential information is inappropriately accessed and used by a third party or an employee for illegal purposes, we may be responsible to the affected individuals for any losses they may have incurred as a result of misappropriation. In such an instance, we may also be subject to regulatory action, investigation or liable to a governmental authority for fines or penalties associated with a lapse in the integrity and security of our information systems.

We may be required to expend significant capital and other resources to protect against and remedy any potential or existing security breaches and their consequences. A cyber-attack could also lead to litigation, fines, other remedial action, heightened regulatory scrutiny and diminished customer confidence. In addition, our remediation efforts may not be successful, and we may not have adequate insurance to cover these losses. 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 have a material adverse effect on our business, results of operations, cash flows and financial condition. Moreover, cyber-attacks against the Ukrainian government and other countries in the region have been reported in connection with the recent conflicts between Russia and Ukraine. To the extent such attacks have collateral effects on global critical infrastructure or financial institutions or us, such developments could adversely affect our business, operating results and financial condition. At this time, it is difficult to assess the likelihood of such threat and any potential impact at this time.

We are subject to certain risks with respect to our counterparties on contracts.

We have entered into, and may enter in the future into, various contracts, including charter parties and contracts of affreightment with our customers, newbuilding contracts with shipyards, credit facilities with our lenders and operating leases as charterers. These agreements subject us to counterparty risks. The ability of each of our counterparties to perform its obligations under a contract with us will depend on a number of factors that are beyond our control and may include, among other things, general economic conditions, the condition of the maritime industry, the overall financial condition of the counterparty, charter rates received for specific types of vessels, and various expenses. Should our counterparties fail to honor their obligations under agreements with us, we could sustain significant losses, which could have a material adverse effect on our business, financial condition, results of operations and cash flows.

In November of 2019, we established a new dividend policy, which was updated in May 2021, but we may be unable to pay dividends in the future.

Under the terms of a number of our outstanding financing arrangements, we are subject to various restrictions on our ability to pay dividends. Our financing arrangements prevent us from paying dividends if an event of default exists under our credit facilities or if certain financial ratios are not met. See “Item 5 Operating and Financial Review and Prospects - Liquidity and Capital Resources - Senior Secured Credit Facilities - Credit Facility Covenants” for further details. In general, when dividends are paid, they are distributed from our operating surplus, in amounts that allow us to retain a portion of our cash flows to fund vessel or fleet acquisitions and for debt repayment and other corporate purposes, as determined by our management and board of directors (“Board of Directors”). In addition, the declaration and payment of dividends will be subject at all times to the discretion of our Board of Directors. The timing and amount of dividends will depend on our earnings, financial condition, cash requirements and availability, fleet renewal and expansion, restrictions in our loan agreements, if any, the provisions of Marshall Islands law affecting the payment of dividends and other factors. The laws of the Republic of Marshall Islands generally prohibit the payment of dividends other than from surplus (retained earnings and the excess of consideration received for the sale of shares above the par value of the shares) or while a company is insolvent or would be rendered insolvent by the payment of such a dividend. We may not have sufficient surplus in the future to pay dividends and our subsidiaries may not have sufficient funds or surplus to make distributions to us. We can give no assurance that dividends will be paid at any level or at all.

We may not have adequate insurance to compensate us if we lose our vessels or to compensate third parties.

In the event of a casualty to a vessel or other catastrophic event, we rely on our insurance to pay the insured value of the vessel or the damages incurred. Through our management agreements with our technical managers, we procure insurance for the vessels in our fleet against those risks that we believe the shipping industry commonly insures against. This insurance includes marine hull and machinery insurance, protection insurance and indemnity insurance, which include pollution risks and crew insurances, and war risk insurance. Currently, the amount of coverage for liability for pollution, spillage and leakage available to us on commercially reasonable terms through protection and indemnity associations and providers of excess coverage is $1.0 billion per vessel per occurrence. We may not be adequately insured against all risks. We may not be able to obtain adequate insurance coverage for our fleet in the future, and we may not be able to obtain certain insurance coverages. The insurers may not pay particular claims. Our insurance policies may contain deductibles for which we will be responsible and limitations and exclusions which may increase our costs or lower our revenue. Moreover, insurers may default on claims they are required to pay. In addition, we may be subject to increased premium payments, or calls, in amounts based on our claim records and the claim records of our fleet managers as well as the claim records of other members of the protection and indemnity associations (P&I Associations) through which we receive insurance coverage for tort liability, including pollution-related liability. Our payment of these calls and any significant loss or liability for which we are not insured could have a material adverse effect on our business and financial condition.

We depend upon third party and/or affiliated managers to provide the technical management of our fleet.

We have contracted the technical management of certain portion of our fleet, including crewing, maintenance, and repair services, to third party and/or affiliated technical management companies. The failure of these technical managers to perform their obligations could materially and adversely affect our business, results of operations, cash flows, financial condition and ability to pay dividends. Although we may have rights against our third party and/or affiliated managers if they default on their obligations to us, our shareholders will share that recourse only indirectly to the extent that we recover funds.

The aging of our fleet and our practice of purchasing and operating secondhand vessels may result in increased operating costs and vessels off-hire, which could adversely affect our earnings.

Our current business strategy includes additional growth which may, in addition to the acquisition of newbuilding vessels, include the acquisition of modern secondhand vessels. While we expect that we would typically inspect secondhand vessels prior to acquisition, this does not provide us with the same knowledge about their condition that we would have had if these vessels had been built for and operated exclusively by us. Generally, we, as a purchaser of secondhand vessels will not receive the benefit of warranties from the builders for the secondhand vessels that we acquire. In addition, unforeseen maintenance, repairs, special surveys or dry docking may be necessary for acquired secondhand vessels, which could also increase our costs and reduce our ability to employ the vessel to generate revenue. In general, the cost of maintaining a vessel in good operating condition increases with the age of the vessel. As our vessels age, they will typically become less fuel-efficient and more costly to maintain than more recently constructed vessels due to improvements in engine technology. Cargo insurance rates increase with the age of a vessel, making older vessels less desirable to charterers. Governmental regulations and safety or other equipment standards related to the age of vessels may also 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. As our vessels age, market conditions may not justify those expenditures or may not enable us to operate our vessels profitably during the remainder of their useful lives. In addition, if new dry bulk carriers are built that are more efficient or more flexible or have longer physical lives than our vessels, competition from these more technologically advanced vessels could adversely affect the amount of charter hire payments we receive for our vessels once their initial charters expire and the resale value of our vessels could significantly decrease.

We may be subject to litigation that, if not resolved in our favor and not sufficiently insured against, could have a material adverse effect on us.

We may be, from time to time, involved in various litigation matters. These matters may include, among other things, contract disputes, shareholder litigation, personal injury claims, environmental claims or proceedings, asbestos and other toxic tort claims, property casualty claims, employment matters, governmental claims for taxes or

duties, and other litigation that arises in the ordinary course of our business. Although we intend to defend these matters vigorously, we cannot predict with certainty the outcome or effect of any claim or other litigation matter, and the ultimate outcome of any litigation or the potential costs to resolve them may have a material adverse effect on us. Insurance may not be applicable or sufficient in all cases and/or insurers may not remain solvent which may have a material adverse effect on our financial condition.

We may have difficulty managing our planned growth properly.

Historically, we have grown through acquisitions and building newbuilding vessels. One of our strategies is to continue expanding our operations and fleet. Our future growth will primarily depend upon a number of factors, some of which may not be within our control, including our ability to: identify suitable dry bulk carriers, including newbuilding slots at shipyards and/or shipping companies for acquisitions at attractive prices; obtain required financing for our existing and new operations; identify businesses engaged in managing, operating or owning dry bulk carriers for acquisitions or joint ventures; integrate any acquired dry bulk carriers or businesses successfully with our existing operations, including obtaining any approvals and qualifications necessary to operate vessels that we acquire, hire, train and retain qualified personnel and crew to manage and operate our growing business and fleet; identify new markets; enhance our customer base; and improve our operating, financial and accounting systems and controls. Our failure to effectively identify, acquire, develop and integrate any dry bulk carriers or businesses could adversely affect our business, financial condition and results of operations. The number of employees that perform services for us and our current operating and financial systems may not be adequate as we implement our plan to expand our fleet size in the dry bulk sector, and we may not be able to effectively hire more employees or adequately improve those systems. In addition, our growth through acquisitions and investments bears inherent risks including: the possibility that we may not receive a favorable return on our investments or that we may incur losses therefrom, or the original investment may become impaired; failure to satisfy or set effective strategic objectives; our assumption of known or unknown liabilities or other unanticipated events or circumstances, the diversion of management’s attention from normal daily operations of the business; difficulties in integrating the operations, technologies, products and personnel of an acquired company or its assets; difficulties in supporting acquired operations, difficulties or delays in the transfer of vessels, equipment or personnel; failure to retain key personnel, unexpected capital equipment outlays and related expenses; insufficient revenues to offset increased expenses associated with acquisitions; under-performance problems with acquired assets or operations, issuance of common shares that could dilute our current shareholders; recording of goodwill and non-amortizable intangible assets that will be subject to periodic impairment testing and potential impairment charges against our future earnings; the opportunity cost associated with committing capital in such investments; undisclosed defects, damage, maintenance requirements or similar matters relating to acquired vessels; and becoming subject to litigation.

We may not be able to address these risks successfully without substantial expense, delay or other operational or financial issues. Any delays or other such operations or financial issues could adversely impact our business, financial condition and results of operations. We cannot give any assurance that we will be successful in executing our growth plans, obtain appropriate financings on a timely basis or on terms we deem reasonable or acceptable or that we will not incur significant expenses and losses in connection with our future growth.

A change in tax laws, treaties or regulations, or their interpretation could result in a significant negative impact on our earnings and cash flows from operations.

We are an international company that conducts business throughout the world. Tax laws and regulations are highly complex and subject to interpretation. Consequently, a change in tax laws, treaties or regulations, or in the interpretation thereof, or in and between countries in which we operate, could result in a materially high tax expense or higher effective tax rate on our worldwide earnings, and such change could be significant to our financial results. If any tax authority successfully challenges our operational structure, intercompany pricing policies or the taxable presence of our key subsidiaries in certain countries, or if the terms of certain income tax treaties are interpreted in a manner that is adverse to our structure, or if we lose a material tax dispute in any country, our effective tax rate on our worldwide earnings from our operations could increase substantially and our earnings and cash flows from these operations could be materially adversely affected. We and our subsidiaries may be subject to taxation in the jurisdictions in which we and our subsidiaries conduct business. Such taxation would result in decreased earnings. Investors are encouraged to consult their own tax advisors concerning the overall tax consequences of the ownership of our common shares arising in an investor’s particular situation under U.S. federal, state, local and foreign law.

The Internal Revenue Service could treat us as a "passive foreign investment company," (or "PFIC") which could have adverse U.S. federal income tax consequences to U.S. shareholders.

As further described under "Item 10. Additional Information – E. Taxation - U.S. Federal Income Taxation of U.S. Holders" we believe that we currently are not a PFIC, and we do not expect to become a PFIC in the future. However, there is no direct legal authority under the PFIC rules addressing our characterization of income from our voyage and time chartering activities nor our characterization of contracts for newbuilding vessels, if any. Moreover, the determination of PFIC status for any year can only be made on an annual basis after the end of such taxable year and will depend on the composition of our income, assets and operations from time to time. Because of the above described uncertainties, there can be no assurance that the Internal Revenue Service will not challenge the determination made by us concerning our PFIC status or that we will not be a PFIC for any taxable year. If we were classified as a PFIC for any taxable year during which a U.S. shareholder owns common shares (regardless of whether we continue to be a PFIC), the U.S. shareholder would be subject to special adverse rules, including taxation at maximum ordinary income rates plus an interest charge on both gains on sale and certain dividends, unless the U.S. shareholder makes an election to be taxed under an alternative regime. Certain elections may be available to U.S. shareholders if we were classified as a PFIC.

Risks Related to Our Relationships with Mr. Pappas, Oaktree and Other Parties

Affiliates of Oaktree own a significant portion of our common shares, subject to certain restrictions on voting, acquisitions and dispositions thereof.

As of February 16, 2022, Oaktree and its affiliates beneficially own 26,021,457 common shares, representing approximately 25.4% of our outstanding common shares. However, pursuant to the Oaktree Shareholders Agreement, Oaktree and certain affiliates thereof have agreed to voting restrictions, ownership limitations and standstill restrictions. See "Item 7. Major Shareholders and Related Party Transactions—B. Related Party Transactions - Oaktree Shareholders Agreement" for further details. Despite the foregoing limitations, Oaktree and its affiliates are able to exert considerable influence over us. Oaktree and its affiliates may be able to prevent or delay a change of control of us and could preclude any unsolicited acquisition of us. The concentration of ownership and voting power in Oaktree may make some transactions more difficult or impossible without Oaktree's support, even if such events are in the best interests of our other shareholders and/or may have an adverse effect on the price of our common shares. As a result of such influence, we may take actions that our other shareholders do not view as beneficial, which may adversely affect our results of operations and financial condition and cause the value of your investment to decline. Additionally, Oaktree is in the business of making investments in companies and currently holds and may from time to time in the future acquire, interests in the shipping industry that directly or indirectly compete with certain portions of our business. If Oaktree pursues acquisitions or makes further investments in the shipping industry, those acquisitions and investment opportunities may not be available to us, and we have agreed to renounce any interest or expectancy in, or in being offered an opportunity to participate in, any corporate opportunities that may be presented to or become known to Oaktree or any of its affiliates. In addition, the members of the Board of Directors nominated by Oaktree will have fiduciary duties to us and in addition may have duties to Oaktree. As a result, such circumstances may entail real or apparent conflicts of interest with respect to matters affecting both us and Oaktree, whose interests, in some circumstances, may be adverse to ours.

Members of management and our directors may have relationships and affiliations with other entities that could create conflicts of interest.

While we do not expect our Chief Executive Officer, Mr. Petros Pappas, will have any material relationships with any companies in the dry bulk shipping industry other than us, he will continue to be involved in other areas of the shipping industry, which could cause conflicts of interest not in the best interest of us or our shareholders. This could result in an adverse effect on our business, financial condition, results of operations and cash flows. We use our best efforts to ensure compliance with all applicable laws and regulations in addressing such conflicts of interest. In addition, our executive officers participate in business activities not associated with us, including serving as members of the management teams of Oceanbulk Maritime S.A, a dry cargo shipping company, and PST Tankers LLC, a joint venture between Oaktree and entities controlled by Mr. Pappas' family involved in the product tanker businesses, and are not required to work full-time on our affairs. Initially, we expect that each of our executive officers will devote a substantial portion of his/her business time to the management of our Company.

Our executive officers may devote less time to us than if they were not engaged in other business activities and may owe fiduciary duties to the shareholders of other companies with which they may be affiliated, including those companies listed above. Three of our directors are affiliated with Oaktree. Our Oaktree-affiliated directors have fiduciary duties to us and to Oaktree. In addition, under the Oaktree Shareholders Agreements, none of our officers or directors who is also an officer, director, employee or other affiliate of Oaktree or an officer, director or employee of an affiliate of Oaktree will be liable to us or our shareholders for breach of any fiduciary duty by reason of the fact that any such individual directs a corporate opportunity to Oaktree or its affiliates instead of us, or does not communicate information regarding a corporate opportunity to us that such person or affiliate has directed to Oaktree or its affiliates. As a result, such circumstances may entail real or apparent conflicts of interest with respect to matters affecting both us and Oaktree, whose interests, in some circumstances, may be adverse to ours. In addition, as a result of Oaktree's ownership interest, conflicts of interest could arise with respect to transactions involving business dealings between us and Oaktree or their affiliates, including potential business transactions, potential acquisitions of businesses or properties, the issuance of additional securities, the payment of dividends by us and other matters. This structure may create conflicts of interest in matters involving or affecting us and our customers and it is not certain that any of these conflicts of interest will be resolved in our favor. This could have a material adverse effect on our business, financial condition, results of operations and cash flows.

We may be unable to attract and retain qualified, skilled employees or crew necessary to operate our business.

Our success depends in large part on our ability to attract and retain highly skilled and qualified personnel, both shoreside personnel and crew. In crewing our vessels, we require technically skilled employees with specialized training who can perform physically demanding work. Competition to attract and retain qualified crew members and shoreside personnel is intense due to the increase in the size of the global shipping fleet. In addition, if we are not able to obtain higher charter rates to compensate for any crew cost and salary increases, or if we cannot hire, train and retain a sufficient number of qualified employees, we may be unable to manage, maintain and grow our business, which could have a material adverse effect on our business, financial condition, results of operations and cash flows.

Our reliance upon "foreign private issuer" exemptions may afford less protection to holders of our common shares.

Nasdaq's corporate governance rules require, subject to exceptions, listed companies to have, among other things, a majority of their board members be independent and independent director oversight of executive compensation, nomination of directors and corporate governance matters. As a "foreign private issuer" (as defined in Rule 3b-4 of the Exchange Act), or FPI, we may follow the laws of the Republic of the Marshall Islands, our home country, with respect to the foregoing requirements. For example, although our Board of Directors currently includes nine members who would likely be deemed independent under the Nasdaq rules, we may in the future have less than a majority of directors who would be deemed independent, as permitted under Marshall Islands law. In addition, as a FPI we are not required to comply with all of the periodic disclosure and current reporting requirements of the Exchange Act applicable to U.S. domestic companies whose securities are registered under the Exchange Act.

Risks Related to Our Corporate Structure and Our Common Shares

We are a holding company and depend on the ability of our subsidiaries to distribute funds to us in order to satisfy our financial obligations and to make dividend payments.

We are a holding company, and our subsidiaries conduct all of our operations and own all of our operating assets. We have no significant assets other than the equity interests in our subsidiaries. Our ability to satisfy our financial obligations and to make dividend payments in the future 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. We do not intend to obtain funds from other sources to pay dividends. Furthermore, certain of our outstanding financing arrangements restrict the ability of some of our subsidiaries to pay us dividends under certain circumstances, such as if an event of default exists.

We may need to raise additional capital in the future, which may not be available on favorable terms or at all or which may dilute our common stock or adversely affect its market price.

We may require additional capital to expand our business and increase revenues, add liquidity in response to negative economic conditions, meet unexpected liquidity needs, and reduce our outstanding debt. To the extent our existing capital and borrowing capabilities are insufficient, we will need to raise additional funds through debt or equity financings, including offerings of our common stock, securities convertible into our common stock, or rights to acquire our common stock or curtail our growth and reduce our assets or restructure arrangements with existing security holders. Any equity or debt financing, or additional borrowings, if available at all, may be on terms that are not favorable to us. Equity financings could result in dilution to our stockholders, and the securities issued in future financings may have rights, preferences, and privileges that are senior to those of our common stock. To the extent that an existing shareholder does not purchase shares of voting stock, that shareholder's interest in our Company will be diluted, representing a smaller percentage of the vote in our Board of Directors' elections and other shareholder decisions. If our need for capital arises because of significant losses, the occurrence of these losses may make it more difficult for us to raise the necessary capital. If we cannot raise funds on acceptable terms if and when needed, we may not be able to take advantage of future opportunities, grow our business or respond to competitive pressures or unanticipated requirements.

Because we are organized under the laws of the Marshall Islands and because substantially all of our assets are located outside of the United States, it may be difficult to serve us with legal process or enforce judgments against us, our directors or our management.

We are organized under the laws of the Marshall Islands and substantially all of our assets are located outside of the United States. In addition, the majority of our directors and officers are or will be non-residents of the United States and all or a substantial portion of the assets of these non-residents are located outside of the United States. As a result, it may be difficult or impossible for you to bring an action against us or against our directors and officers in the United States if you believe that your rights have been infringed under securities laws or otherwise. Even if you are successful in bringing an action of this kind, the laws of the Marshall Islands and of other jurisdictions may prevent or restrict you from enforcing a judgment against our assets or the assets of our directors or officers.

We are incorporated in the Marshall Islands, which does not have a well-developed body of corporate law.

Our corporate affairs are governed by our Fourth Amended and Restated Articles of Incorporation (the "Articles of Incorporation") and our Third Amended and Restated Bylaws (the "Bylaws") and by the Marshall Islands Business Corporations Act (the "MIBCA"). The provisions of the MIBCA 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 MIBCA. 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 the United States. The rights of shareholders of companies incorporated in the Marshall Islands may differ from the rights of shareholders of companies incorporated in the United States. While the MIBCA provides that it is to be interpreted according to the laws of the State of Delaware and other states with substantially similar legislative provisions, there have been few, if any, court cases interpreting the MIBCA 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 the management, directors or controlling shareholders than would shareholders of a corporation incorporated in a United States jurisdiction that has developed a relatively more substantial body of case law. Additionally, the Republic of the Marshall Islands does not have a legal provision for bankruptcy or a general statutory mechanism for insolvency proceedings. As such, in the event of a future insolvency or bankruptcy, our shareholders and creditors may experience delays in their ability to recover their claims after any such insolvency or bankruptcy.

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

We are incorporated under the laws of the Republic of the Marshall Islands and certain of our subsidiaries are also incorporated under the laws of the Republic of the Marshall Islands, Liberia, British Virgin Islands, Cyprus, Malta, Singapore and Germany, and we conduct operations in countries around the world.

The Marshall Islands has passed an act implementing the U.N. Commission on Internal Trade Law (UNCITRAL) Model Law on Cross-Border Insolvency, or the Model Law. The adoption of the Model Law is intended to implement effective mechanisms for dealing with issues related to cross-border insolvency proceedings and encourages cooperation and coordination between jurisdictions. Notably, the Model Law does not alter the substantive insolvency laws of any jurisdiction and does not create a bankruptcy code in the Marshall Islands. Instead, the Act allows for the recognition by the Marshall Islands of foreign insolvency proceedings, the provision of foreign creditors with access to courts in the Marshall Islands, and the cooperation with foreign courts. Consequently, in the event of any bankruptcy, insolvency or similar proceedings involving us or one of our subsidiaries, bankruptcy laws other than those of the United States could apply. We have limited operations in the United States. If we become a debtor under the United States bankruptcy laws, 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 United States bankruptcy court would be entitled to, or accept, jurisdiction over such bankruptcy case or that courts in other countries that have jurisdiction over us and our operations would recognize a United States bankruptcy court's jurisdiction if any other bankruptcy court would determine it had jurisdiction.

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

Our Articles of Incorporation authorize us to issue 300,000,000 common shares, of which 102,294,758 shares were issued and outstanding as of December 31, 2021. In addition, certain shareholders hold registration rights, see "Item 7. Major Shareholders." Furthermore pursuant to our two, currently effective, At the Market offering programs, we may offer and sell a number of our common shares, having an aggregate offering price of up to $150 million at any time and from time to time. Sales of a substantial number of our common shares in the public market, or the perception that these sales could occur, may depress the market price for our common shares. These sales could also impair our ability to raise additional capital through the sale of our equity securities in the future. We intend to issue additional common shares in the future. Our shareholders may incur dilution from any future equity offering and upon the issuance of additional common shares pursuant to our equity incentive plans.

We may fail to meet the continued listing requirements of the Nasdaq, which could cause our common shares to be delisted.

There can be no assurance that we will remain in compliance with Nasdaq's listing qualification rules, or that our common shares will not be delisted, which could have an adverse effect on the market price of, and the efficiency of the trading market for, our common shares and could cause a default under certain senior secured credit facilities.

The price of our common shares may be highly volatile.

The price of our common shares 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 market valuations of companies in our industry; changes in government regulation; the failure of securities analysts to publish research about us, or shortfalls in our operating results from levels forecast by securities analysts; announcements concerning us or our competitors; and the general state of the securities markets. Hence, the market for our common shares may be unpredictable and volatile. Further, there may be no continuing active or liquid public market for our common shares. Consequently, you may not be able to sell the common shares at prices equal to or greater than those paid by you, or you may not be able to sell them at all. In the past, following periods of volatility in the market, securities class-action litigation has often been instituted against companies. Such litigation, if instituted against us, could result in substantial costs and diversion of management's attention and resources, which could materially and adversely affect our business, financial condition, results of operations and growth prospects. There can be no guarantee that our stock price will remain at current prices.

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

Several provisions of our Articles of Incorporation and our Bylaws could make it difficult for our shareholders to change the composition of our Board of Directors in any one year, preventing them from changing the

composition of management. In addition, the same provisions may discourage, delay or prevent a merger or acquisition that shareholders may consider favorable. These provisions include: authorizing our Board of Directors to issue "blank check" preferred stock without shareholder approval; providing for a classified Board of Directors with staggered, three-year terms; establishing certain advance notice requirements for nominations for election to our Board of Directors or for proposing matters that can be acted on by shareholders at shareholder meetings; prohibiting cumulative voting in the election of directors; limiting the persons who may call special meetings of shareholders; authorizing the removal of directors only for cause and only upon the affirmative vote of the holders of a majority of our outstanding common shares entitled to vote for the directors; and establishing supermajority voting provisions with respect to amendments to certain provisions of our Articles of Incorporation and our Bylaws. These anti-takeover provisions could substantially impede the ability of public shareholders to benefit from a change in control and, as a result, may adversely affect the market price of our common shares and your ability to realize any potential change of control premium.

Item 4. Information on the Company

A. History and Development of the Company

Star Bulk Carriers Corp. was incorporated in the Marshall Islands on December 13, 2006. Our executive offices are located at c/o Star Bulk Management Inc., 40 Agiou Konstantinou Str., Maroussi 15124, Athens, Greece and its telephone number is 011-30-210-617-8400. Our registered office is located at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands, MH 96960.

Significant changes to our fleet during the years 2019 -2022

On May 27, 2019, we entered into an en bloc definitive agreement with entities controlled by Delphin Shipping, LLC ("Delphin"), an entity affiliated with Kelso & Company, pursuant to which we agreed to acquire 11 operating dry bulk vessels (the "Delphin Vessels"). The vessels were delivered to us in exchange for an aggregate of 4,503,370 of our common shares and cash consideration of $80.0 million, with the total acquisition cost being $127.5 million. All 11 Delphin Vessels were delivered to us during the third quarter of 2019. In connection with this transaction, we granted Delphin certain demand registration rights and shelf registration rights.

On December 17, 2020, we entered into a definitive agreement with entities affiliated with E.R. Capital Holding GmbH & Cie. KG ("E.R."), pursuant to which we agreed to acquire three Capesize dry bulk vessels. The vessels are retrofitted with exhaust gas cleaning systems and were delivered to us on January 26, 2021. Consideration for the acquisition was payable in the form of $39.0 million in cash and 2,100,000 of our common shares, which shares were issued on January 26, 2021 to E.R. In connection with this transaction, we granted E.R. certain registration rights and registered the resale of 2,100,000 common shares.

On February 2, 2021, we entered into an agreement with Eneti Inc. (NYSE: NETI), or Eneti, formerly known as Scorpio Bulkers Inc., and certain other parties to acquire seven vessels, consisting of three Ultramax vessels, the *Star Athena (ex-SBI Pegasus)*, the *Star Bovarius (ex-SBI Ursa)* and the *Star Subaru (ex-SBI Subaru)*, and four Kamsarmax vessels, the *Star Capoeira (ex-SBI Capoeira)*, the *Star Carioca (ex-SBI Carioca)*, the *Star Lambada (ex-SBI Lambada)* and the *Star Macarena (ex-SBI Macarena)* (collectively, the "Eneti Acquisition Vessels") by assuming the outstanding lease obligations of the Eneti Acquisition Vessels. As consideration for this transaction we agreed to issue to Eneti 3,000,000 newly issued common shares of the Company. In connection with this transaction, on February 2, 2021 we entered into a registration right agreement with Eneti, which provided Eneti with certain demand registration rights and shelf registration rights. The transaction was completed for six out of seven vessels on March 16, 2021, on which date we issued 2,649,203 of our common shares and assumed the outstanding lease obligations attributable to these six vessels of $86.9 million. On May 19, 2021 we took delivery of *Star Athena (ex- SBI Pegasus)*, the seventh and final vessel. We issued to the relevant affiliates of Eneti 350,797 common shares representing the share consideration for the seventh vessel and we assumed the outstanding lease obligations of $12.7 million associated with the vessel. In addition, we paid an amount of $0.5 million per vessel to the lessors as security for our obligations which amount will progressively be released until May 2025.

On March 3, 2021, we entered into a definitive agreement with a third party to acquire two Eco-type resale 82,000 dwt Kamsarmax vessels (the "Kamsarmax Resale Vessels") at a price of $55.0 million in aggregate. The vessels were delivered to us on May 25, 2021 and June 16, 2021, respectively, directly from YAMIC yard (a joint venture between Mitsui and New Yangzijiang).

From time to time, in response to changing market conditions, we have disposed certain of our vessels (the majority of which were older vessels) and have sold, cancelled or transferred some of our newbuilding vessels. As a result, we currently have a fleet of 128 vessels, with an aggregate capacity of 14.1 million dwt, consisting of Newcastlemax, Capesize, Post Panamax, Kamsarmax, Panamax, Ultramax and Supramax vessels with carrying capacities between 52,425 dwt and 209,529 dwt.

B. Business Overview

General

We are an international leading global shipping company that owns and operates a modern and diverse fleet of dry bulk vessels. Our vessels transport a broad range of major and minor bulk commodities, including iron ore, minerals and grain, bauxite, fertilizers and steel products, along worldwide shipping routes. Our executive management team, which has extensive shipping industry expertise, is led by Mr. Petros Pappas, who has more than 40 years of shipping experience and has managed hundreds of vessel acquisitions and dispositions.

We are committed to implementing Environmental, Social and Governance (ESG) practices into our operational and strategic decision making within the scope of our vision to be a leader in sustainable dry bulk shipping. In this respect we are a signatory to the United Nations (UN) Global Compact supporting its Ten Principles on areas of human rights, labor, environment and anticorruption and committing to the broader development goals of the United Nations, the Sustainable Development Goals. In addition, we publish an annual ESG Report, which presents our ESG strategy and goals, identifies ESG related risks, and reports on our ESG performance across all our business operations. In November 2021, we released our third annual ESG Report. All of our ESG Reports may be found on our website at www.starbulk.com. The information on our website is not incorporated by reference into this annual report.

Our ESG Performance:

Environment

We endeavor to comply with all applicable environmental regulations on a timely and efficient basis, and to implement measures to further reduce our carbon footprint, improve our environmental performance and protect the marine environment. We continuously monitor the performance of our vessels through telemetry and advanced data management systems and take action to improve the energy efficiency of our fleet both operationally and technically, in view of the greenhouse gas (GHG) strategy set for 2030 and 2050 by the International Maritime Organization, the United Nations agency for maritime safety and the prevention of pollution by vessels (the "IMO").

- We have retrofitted our fleet with Exhaust Gas Cleaning Systems (EGCS) in order to comply with emissions standards, titled IMO-2020, set by the IMO.
- We have an ongoing retrofit program across our entire fleet to comply with the IMO's Ballast Water Management Convention.
- We participate in the Poseidon Principles, which establish a framework for assessing and disclosing the climate alignment of ship finance portfolios and are consistent with the policies and ambitions of the IMO to reduce shipping's total annual GHG emissions by at least 50% by 2050.

- We collaborate with our charterers within the scope of the Sea Cargo Charter, providing them with our vessel data to enable them to assess and report on the carbon intensity of the chartering activities of these vessels.

- We have engaged and actively participate in partnerships and alliances that promote sustainability in the maritime sector, including emission control and other environmental initiatives, such as the Global Maritime Forum, the Getting to Zero Coalition, the Clean Shipping Alliance, and the Hellenic Marine Environment Protection Association.

- We are active participants in several projects for the development and/or deployment of new green technologies and alternative fuels, including with respect to:

  - the adoption of various latest technology voyage optimization platforms which aim to reduce fuel consumption and therefore our fleet's CO2 footprint;

  - the installation of energy-saving devices, such as propeller ducts, which aim to reduce the required propulsion power and CO2 emissions of our vessels;

  - piloting and evaluating latest technology anti-fouling paints and hull cleaning technologies to reduce hull resistance and improve vessel's energy efficiency;

  - the techno-economic feasibility assessment of several zero-emission fuels, including biofuels and green-hydrogen derived fuels such as methanol and ammonia;

  - onboard carbon capture technologies, leveraging also our existing exhaust gas cleaning systems; and

  - the testing of advanced wash-water filtration system onboard our vessels to enable the removal of micro-plastics from port waters

Social

We are focused on continuously improving our social impact, including with respect to the health, safety and wellbeing of employees, both on board and ashore, to operational excellence, and to community support.

- The health, safety, security and well-being of our people at sea and on shore is our top priority, especially during the COVID-19 pandemic. For more information with respect to our response to the COVID-19 pandemic, please visit our ESG Report, which may be found on our website at www.starbulk.com. The information on our website is not incorporated by reference into this annual report. We are a signatory to the Neptune Declaration on Seafarer Wellbeing, which promotes the health and safety of seafarers. We are also signatories of the Gulf of Guinea Declaration on Suppression of Piracy.

- We are dedicated to providing equal employment opportunities and treating our people fairly without regard to race, color, religious beliefs, age, sex, or any other classification.

- We maintain high retention rates both on board and ashore and work to facilitate the professional development, continuous training and career advancement of our people.

- We are consistently the top ranked dry bulk operator among peers in the RightShip Safety Score.

- Our community investment activities focus on, but are not limited to, supporting vulnerable groups and youth education in Greece.

Governance

We endeavor to apply corporate governance best practices, adhere to high ethical principles and ensure the high commercial performance of our fleet.

- The Company is governed by a diverse and experienced, majority independent Board of Directors.
- We have a transparent Code of Ethics and Anti-Corruption Policy in place.
- We implement strong internal controls structured to ensure robust risk management.
- We continuously cultivate an open reporting culture with respect to any violations of the Code of Ethics.

Our Decarbonization Strategy

We aspire to be frontrunners in the industry's efforts to reduce GHG emissions and lead by example by applying new technologies and forming alliances with participants that aim to decarbonize the industry.

The five pillars of our decarbonization strategy are:

- Monitoring and transparent reporting on our GHG emissions.
- Improving the energy efficiency of our existing fleet.
- Identifying and assessing climate related risks and opportunities.
- Participating in research and development for new technologies and alternative fuels.
- Developing partnerships and participating in environmental alliances.

Our Fleet

We have built a fleet through timely and selective acquisitions of secondhand and newbuilding vessels. Our fleet is well-positioned to take advantage of economies of scale in commercial, technical and procurement management. We have a large, modern, fuel-efficient and high-quality fleet, which emphasizes the largest Eco-type Capesize and Newcastlemax vessels, built at leading shipyards and featuring the latest technology. As a result, we believe we will have an opportunity to capitalize on rising market demand during a period of reduced fleet growth, customer preferences for our ships and economies of scale, while enabling us to capture the benefits of fuel cost savings through spot time charters or voyage charters.

The majority of our operating fleet is equipped with a vessel remote monitoring system that provides data to monitor fuel and lubricant consumption and efficiency on a real-time basis. While these monitoring systems are generally available in the shipping industry, we believe that they can be cost-effectively employed only by large-scale shipping operators, such as us.

In addition, pursuant to the IMO sulfur cap regulations, which limited emission to 0.5% m/m sulfur content that came into force in January 2020, we decided to install scrubbers on the vast majority of our vessels ("Scrubber Retrofitting Program"). As of the date of this annual report, we have successfully completed the installation of scrubbers on 120 vessels out of the 128 vessels in our fleet. We believe that the new maritime regulations will have a strong impact on the maritime industry and will distinguish us from other dry bulk owners that will have conventional dry bulk vessels that will not be able to consume less expensive bunker fuel with higher sulfur content. We believe installation of scrubbers will increase our competitive advantage commercially making our fleet more attractive to charterers and cargo owners.

The following tables summarize key information about our operating fleet, as of the date of this annual report:

Operating Fleet

	Wholly Owned Subsidiaries	Vessel Name	DWT	Date Delivered to Star Bulk	Year Built
1	Pearl Shiptrade LLC	*Gargantua (1)*	209,529	April 2, 2015	2015
2	Star Ennea LLC	*Star Gina 2GR*	209,475	February 26, 2016	2016
3	Coral Cape Shipping LLC	*Maharaj (1)*	209,472	July 15, 2015	2015
4	Sea Diamond Shipping LLC	*Goliath (1)*	207,999	July 15, 2015	2015
5	Star Castle II LLC	*Star Leo*	207,939	May 14, 2018	2018
6	ABY Eleven Ltd	*Star Laetitia*	207,896	August 3, 2018	2017
7	Domus Shipping LLC	*Star Ariadne*	207,774	March 28, 2017	2017
8	Star Breezer LLC	*Star Virgo*	207,774	March 1, 2017	2017
9	Star Seeker LLC	*Star Libra (1)*	207,727	June 6, 2016	2016
10	ABY Nine Ltd	*Star Sienna*	207,721	August 3, 2018	2017
11	Clearwater Shipping LLC	*Star Marisa*	207,671	March 11 2016	2016
12	ABY Ten Ltd	*Star Karlie*	207,566	August 3, 2018	2016
13	Star Castle I LLC	*Star Eleni*	207,517	January 3, 2018	2018
14	Festive Shipping LLC	*Star Magnanimus*	207,490	March 26, 2018	2018
15	New Era II Shipping LLC	*Debbie H*	206,823	May 28, 2019	2019
16	New Era III Shipping LLC	*Star Ayesha*	206,814	July 15, 2019	2019
17	New Era I Shipping LLC	*Katie K*	206,803	April 16, 2019	2019
18	Cape Ocean Maritime LLC	*Leviathan*	182,466	September 19, 2014	2014
19	Cape Horizon Shipping LLC	*Peloreus*	182,451	July 22, 2014	2014
20	Star Nor I LLC	*Star Claudine*	181,258	July 6, 2018	2011
21	Star Nor II LLC	*Star Ophelia*	180,716	July 6, 2018	2010
22	Sandra Shipco LLC	*Star Pauline*	180,233	December 29, 2014	2008
23	Christine Shipco LLC	*Star Martha*	180,231	October 31, 2014	2010
24	Pacific Cape Shipping LLC	*Pantagruel*	180,140	July 11, 2014	2004
25	Star Polaris LLC	*Star Polaris*	179,648	November 14, 2011	2011
26	Star Borealis LLC	*Star Borealis*	179,601	September 9, 2011	2011
27	Star Nor III LLC	*Star Lyra*	179,147	July 6, 2018	2009
28	Star Regg V LLC	*Star Borneo*	178,978	January 26, 2021	2010
29	Star Regg VI LLC	*Star Bueno*	178,978	January 26, 2021	2010
30	Star Regg IV LLC	*Star Marilena*	178,977	January 26, 2021	2010
31	Star Regg I LLC	*Star Marianne*	178,841	January 14, 2019	2010
32	Star Regg II LLC	*Star Janni*	177,939	January 7, 2019	2010
33	Star Trident V LLC	*Star Angie*	177,931	October 29, 2014	2007
34	Sky Cape Shipping LLC	*Big Fish*	177,620	July 11, 2014	2004
35	Global Cape Shipping LLC	*Kymopolia*	176,948	July 11, 2014	2006
36	Star Trident XXV Ltd.	*Star Triumph*	176,274	December 8, 2017	2004
37	ABY Fourteen Ltd	*Star Scarlett*	175,800	August 3, 2018	2014
38	ABY Fifteen Ltd	*Star Audrey*	175,125	August 3, 2018	2011
39	Sea Cape Shipping LLC	*Big Bang*	174,109	July 11, 2014	2007
40	ABY I LLC	*Star Paola*	115,259	August 3, 2018	2011

	Wholly Owned Subsidiaries	Vessel Name	DWT	Date Delivered to Star Bulk	Year Built
41	ABM One Ltd	*Star Eva*	106,659	August 3, 2018	2012
42	Nautical Shipping LLC	*Amami*	98,648	July 11, 2014	2011
43	Majestic Shipping LLC	*Madredeus*	98,648	July 11, 2014	2011
44	Star Sirius LLC	*Star Sirius (1)*	98,648	March 7, 2014	2011
45	Star Vega LLC	*Star Vega (1)*	98,648	February 13, 2014	2011
46	ABY II LLC	*Star Aphrodite*	92,006	August 3, 2018	2011
47	Augustea Bulk Carrier Ltd	*Star Piera*	91,952	August 3, 2018	2010
48	Augustea Bulk Carrier Ltd	*Star Despoina*	91,945	August 3, 2018	2010
49	Star Trident I LLC	*Star Kamila*	87,001	September 3, 2014	2005
50	Star Nor IV LLC	*Star Electra*	83,494	July 6, 2018	2011
51	Star Alta I LLC	*Star Angelina*	82,953	December 5, 2014	2006
52	Star Alta II LLC	*Star Gwyneth*	82,703	December 5, 2014	2006
53	Star Nor VI LLC	*Star Luna*	82,687	July 6, 2018	2008
54	Star Nor V LLC	*Star Bianca*	82,672	July 6, 2018	2008
55	Grain Shipping LLC	*Pendulum*	82,578	July 11, 2014	2006
56	Star Trident XIX LLC	*Star Maria*	82,578	November 5, 2014	2007
57	Star Trident XII LLC	*Star Markella*	82,574	September 29, 2014	2007
58	ABY Seven Ltd	*Star Jeanette*	82,567	August 3, 2018	2014
59	Star Trident IX LLC	*Star Danai*	82,554	October 21, 2014	2006
60	Star Sun I LLC	*Star Elizabeth*	82,430	May 25, 2021	2021
61	Star Sun II LLC	*Star Pavlina*	82,361	June 16, 2021	2021
62	Star Trident XI LLC	*Star Georgia*	82,281	October 14, 2014	2006
63	Star Trident VIII LLC	*Star Sophia*	82,252	October 31, 2014	2007
64	Star Trident XVI LLC	*Star Mariella*	82,249	September 19, 2014	2006
65	Star Trident XIV LLC	*Star Moira*	82,220	November 19, 2014	2006
66	Star Trident X LLC	*Star Renee*	82,204	December 18, 2014	2006
67	Star Trident XIII LLC	*Star Laura*	82,192	December 8, 2014	2006
68	Star Trident XV LLC	*Star Jennifer*	82,192	April 15, 2015	2006
69	Star Nor VIII LLC	*Star Mona*	82,188	July 6, 2018	2012
70	Star Trident II LLC	*Star Nasia*	82,183	August 29, 2014	2006
71	Star Nor VII LLC	*Star Astrid*	82,158	July 6, 2018	2012
72	Star Trident XVII LLC	*Star Helena*	82,150	December 29, 2014	2006
73	Star Trident XVIII LLC	*Star Nina*	82,145	January 5, 2015	2006
74	Waterfront Two Ltd	*Star Alessia*	81,944	August 3, 2018	2017
75	Star Nor IX LLC	*Star Calypso*	81,918	July 6, 2018	2014
76	Star Elpis LLC	*Star Suzanna*	81,644	May 15, 2017	2013
77	Star Gaia LLC	*Star Charis*	81,643	March 22, 2017	2013
78	Mineral Shipping LLC	*Mercurial Virgo*	81,502	July 11, 2014	2013
79	Star Nor X LLC	*Stardust*	81,502	July 6, 2018	2011
80	Star Nor XI LLC	*Star Sky*	81,466	July 6, 2018	2010
81	Star Zeus VI LLC	*Star Lambada (1)*	81,272	March 16, 2021	2016
82	Star Zeus I LLC	*Star Capoeira (1)*	81,253	March 16, 2021	2015
83	Star Zeus II LLC	*Star Carioca (1)*	81,199	March 16, 2021	2015
84	Star Zeus VII LLC	*Star Macarena (1)*	81,198	March 6, 2021	2016

	Wholly Owned Subsidiaries	Vessel Name	DWT	Date Delivered to Star Bulk	Year Built
85	ABY III LLC	*Star Lydia*	81,187	August 3, 2018	2013
86	ABY IV LLC	*Star Nicole*	81,120	August 3, 2018	2013
87	ABY Three Ltd	*Star Virginia*	81,061	August 3, 2018	2015
88	Star Nor XII LLC	*Star Genesis*	80,705	July 6, 2018	2010
89	Star Nor XIII LLC	*Star Flame*	80,448	July 6, 2018	2011
90	Star Trident III LLC	*Star Iris*	76,390	September 8, 2014	2004
91	Star Trident XX LLC	*Star Emily*	76,339	September 16, 2014	2004
92	Orion Maritime LLC	*Idee Fixe (1)*	63,437	March 25, 2015	2015
93	Primavera Shipping LLC	*Roberta (1)*	63,404	March 31, 2015	2015
94	Success Maritime LLC	*Laura (1)*	63,377	April 7, 2015	2015
95	Star Zeus III LLC	*Star Athena (1)*	63,371	May 19, 2021	2015
96	Ultra Shipping LLC	*Kaley (1)*	63,261	June 26, 2015	2015
97	Blooming Navigation LLC	*Kennadi (1)*	63,240	January 8, 2016	2016
98	Jasmine Shipping LLC	*Mackenzie (1)*	63,204	March 2, 2016	2016
99	STAR LIDA I SHIPPING LLC	*Star Apus (1)*	63,123	July 16, 2019	2014
100	Star Zeus V LLC	*Star Bovarius (1)*	61,571	March 16, 2021	2015
101	Star Zeus IV LLC	*Star Subaru (1)*	61,521	March 16, 2021	2015
102	Star Nor XV LLC	*Star Wave*	61,491	July 6, 2018	2017
103	Star Challenger I LLC	*Star Challenger (1)*	61,462	December 12, 2013	2012
104	Star Challenger II LLC	*Star Fighter (1)*	61,455	December 30, 2013	2013
105	Aurelia Shipping LLC	*Honey Badger (1)*	61,324	February 27, 2015	2015
106	Star Axe II LLC	*Star Lutas (1)*	61,323	January 6, 2016	2016
107	Rainbow Maritime LLC	*Wolverine (1)*	61,268	February 27, 2015	2015
108	Star Axe I LLC	*Star Antares (1)*	61,234	October 9, 2015	2015
109	ABY Five Ltd	*Star Monica*	60,935	August 3, 2018	2015
110	Star Asia I LLC	*Star Aquarius*	60,873	July 22, 2015	2015
111	Star Asia II LLC	*Star Pisces (1)*	60,873	August 7, 2015	2015
112	Star Nor XIV LLC	*Star Glory*	58,680	July 6, 2018	2012
113	STAR LIDA XI SHIPPING LLC	*Star Pyxis (1)*	56,615	August 19, 2019	2013
114	STAR LIDA VIII SHIPPING LLC	*Star Hydrus (1)*	56,604	August 8, 2019	2013
115	STAR LIDA IX SHIPPING LLC	*Star Cleo (1)*	56,582	July 15, 2019	2013
116	Star Trident VII LLC	*Diva (1)*	56,582	July 24, 2017	2011
117	STAR LIDA VI SHIPPING LLC	*Star Centaurus*	56,559	September 18, 2019	2012
118	STAR LIDA VII SHIPPING LLC	*Star Hercules*	56,545	July 16, 2019	2012
119	STAR LIDA X SHIPPING LLC	*Star Pegasus (1)*	56,540	July 15, 2019	2013
120	STAR LIDA III SHIPPING LLC	*Star Cepheus (1)*	56,539	July 16, 2019	2012
121	STAR LIDA IV SHIPPING LLC	*Star Columba (1)*	56,530	July 23, 2019	2012
122	STAR LIDA V SHIPPING LLC	*Star Dorado (1)*	56,507	July 16, 2019	2013
123	STAR LIDA II SHIPPING LLC	*Star Aquila*	56,506	July 15, 2019	2012
124	Star Regg III LLC	*Star Bright*	55,783	October 10, 2018	2010
125	Glory Supra Shipping LLC	*Strange Attractor*	55,715	July 11, 2014	2006
126	Star Omicron LLC	*Star Omicron*	53,444	April 17, 2008	2005
127	Star Zeta LLC	*Star Zeta*	52,994	January 2, 2008	2003
128	Star Theta LLC	*Star Theta*	52,425	December 6, 2007	2003
		Total dwt	**14,072,068**		

(1) *Subject to a sale and leaseback financing transaction, as further described in Note 6 to our audited consolidated financial statements included in this annual report.*

Our Competitive Strengths

We believe that we possess a number of competitive strengths in our industry, including:

We manage a high quality, scrubber fitted modern fleet

We own a modern, diverse, high quality fleet of 128 dry bulk carrier vessels with an aggregate capacity of 14.1 million dwt and an average age of 10.0 years. In addition, 120 out of the 128 vessels in our fleet are retrofitted with exhaust gas cleaning systems.

We believe that owning a modern, high quality fleet reduces operating costs, improves safety and provides us with a competitive advantage in securing favorable time charters. We maintain the quality of our vessels by carrying out regular inspections, both while in port and at sea, and adopting a comprehensive maintenance program for each vessel. Furthermore, we take a proactive approach to safety and environmental protection through comprehensively planned maintenance systems, preventive maintenance programs and by retaining and training qualified crews.

Based on the scale, scope and quality of our fleet and our commercial and technical management capabilities and because much of our fleet is currently chartered on the spot market, we believe we are well-positioned to take advantage of the ongoing recovery in the dry bulk market.

In-house commercial and technical management of our fleet enable us to have very competitive operating expenses and high vessel maintenance and operating standards

We conduct a significant portion of the commercial and technical management of our vessels in-house through our wholly owned subsidiaries, Star Bulk Management Inc., Star Bulk Shipmanagement Company (Cyprus) Limited and Starbulk S.A. We believe having control over the commercial and technical management provides us with a competitive advantage over many of our competitors by allowing us to monitor our operations more closely and to offer higher quality performance, reliability and efficiency in arranging charters and the maintenance of our vessels. We also believe that these management capabilities contribute significantly in maintaining a lower level of vessel operating and maintenance costs, without sacrificing the quality of our operations.

Focus on new technology to improve fuel efficiency and vessel operations

In response to the increased environmental regulations around decarbonization, we have focused our attention in improving the sustainability and fuel efficiency of our operations. The majority of our operating fleet has been equipped with a sophisticated vessel performance monitoring system (“VPM”) and we plan to install the system on the remaining vessels of our fleet as well. The VPM system allows us to collect real-time information on the performance of important equipment, with a particular focus on vessel performance, fuel consumption and exhaust gas emissions. The system is designed to enhance our operational knowledge and increase the efficiency of our trading and of our vessel maintenance.

Furthermore we take operational measures, including speed reduction, weather routing, voyage optimization and have planned technical upgrades to our fleet, such as the use of Energy Saving Devices (ESD) and low friction hull paints in order to reduce fuel consumption and emissions. We plan to use underwater ROV (Remotely Operated Vehicles) for inspecting and cleaning the underwater hulls of our vessels. We also plan to proceed with EPL (Engine Power Limitation) in order to meet the IMO EEXI (Energy Efficiency Existing ship Index) requirements.

Most of our vessels' main engines have been retrofitted with sliding engine valves and alpha lubricators, which provide additional fuel efficiency and optimized lubricant consumption. We are replacing the conventional lights of our ships with LED lights in order to reduce energy consumption.

We believe that the above measures are the most efficient initiatives towards decarbonization until technological advances allow the use of very low or zero carbon emission fuels. We have performed a thorough evaluation of our fleet's performance, which has juxtaposed the projected performance of each of our vessels against the applicable regulatory requirements.

Finally we have established a compliance section within our Technical department in order to monitor exhaust gas emissions and ensure compliance with regional and international regulations.

Experienced management team with a strong track record in the shipping industry and extensive relationships with customers, lenders, shipyards and other shipping industry participants

Our company's leadership has considerable shipping industry expertise. Our founder and Chief Executive Officer, Mr. Pappas, has an established track record in the dry bulk industry, with more than 40 years of experience and hundreds of vessel acquisitions and dispositions. Mr. Pappas has extensive experience in operating and investing in shipping, including through his family's principal shipping operations and investment vehicle, Oceanbulk Maritime S.A. Mr. Pappas also has extensive relationships in the shipping industry, and he has leveraged his deep relationships with shipbuilders to implement, when applicable, our newbuilding program with vessels of high specification.

Through Mr. Pappas and our senior management team, we also have strong global relationships with shipping companies, charterers, shipyards, brokers and commercial shipping lenders. Further, we expect our senior management and chartering teams' long track record in the voyage and time chartering of dry bulk ships will allow us to continue successfully chartering our vessels in all economic environments. We believe that these relationships and our strong sale and purchase track record and reputation as a creditworthy counterparty should provide us with access to attractive asset acquisitions, chartering and ship financing opportunities.

For more information on our management team, see "Item 6. Directors, Senior Management and Employees—A. Directors and Senior Management."

Our Business Strategies

Our primary objectives are to grow our business profitably and to continue to grow as a successful owner and operator of dry bulk vessels. The key elements of our strategy are:

Capitalize on potential increases in charter rates for dry bulk shipping

The dry bulk shipping industry is cyclical in nature. The supply of dry bulk carriers is dependent on the delivery of new vessels and the removal of vessels from the global fleet, either through scrapping or loss, and the demand for dry bulk shipping is often dependent on economic conditions, and international trade. For more information on dry bulk market, see "Item 4. Information on the Company – B. Business Overview - Basis for Statements -The International Dry Bulk Shipping Industry.

Charter our vessels in an active and sophisticated manner

Given the volatility of the freight markets, we believe we should be flexible to changing market conditions and actively manage our vessels in order to generate attractive risk-adjusted returns by providing efficient transportation solutions to our major charterers. Currently we are arranging voyage and short-term time charters which provide optionality for the Company given the current market levels. Our aim is to continue improving our fleet utilization by booking long haul voyage charters and complimentary trade flows that improve the laden/ballast ratios. This approach is also tailored specifically to our scrubber-fitted fleet and the fuel efficiency of our younger vessels. While this process is more difficult and labor intensive than placing our vessels on longer-term time charters, it can

lead to greater profitability. When operating a vessel on a voyage charter, as well as on contracts of affreightment directly with cargo providers, we (as owner of the vessel) will incur fuel costs, and therefore, we are in a position to benefit from fuel savings from our scrubber-fitted fleet. If charter market levels rise, we may employ part of our fleet in the long-term time charter market, while we may be able to employ our scrubber-fitted vessels more advantageously in the voyage charter market and/or short-term time charters in order to capture the benefit of available fuel cost savings. Our large, diverse and high-quality fleet provides scale to major charterers, such as iron ore miners, utility companies and commodity trading houses. As part of our strategy to maximize earnings, we seek direct arrangements (consecutive voyages, contracts of affreightment, etc.) with major charterers and cargo owners on a voyage basis, providing the scale required for the transportation of large commodity volumes over a multitude of trading routes around the world.

We are also party of a Capesize vessel pooling agreement (“Capesize Chartering Ltd or CCL Pool or CCL”) with Bocimar International NV, and C Transport Holding Ltd, managed by C Transport Maritime S.A.M (CTM). As of December 31, 2021, we operated approximately 35 of our Newcastlemax and Capesize dry bulk vessels as part of one combined CCL fleet. The CCL fleet consists of approximately 135 modern Newcastlemax and Capesize vessels and is being managed out of Athens, Singapore and Antwerp. Each vessel owner is responsible for the operating, accounting and technical management of its respective vessels. The objective of this pool is to provide improved scheduling through joint marketing of our Newcastlemax and Capesize vessels, with the overall aim of enhancing economic efficiencies.

On October 3, 2017, we formed a wholly owned subsidiary, Star Logistics based in Geneva, Switzerland. Star Logistics chartered-in a number of third-party vessels on a short- to medium- term basis to increase its operating capacity in order to satisfy its clients’ needs. In 2020, we terminated our Geneva-based commercial activities and have established a new wholly-owned subsidiary based in Singapore under the name Star Bulk (Singapore) Pte. Ltd. (or “Star Bulk Singapore”), aiming to expand our commercial capability and access to charterers and cargoes in Asia.

Expand and renew our fleet through opportunistic acquisitions of high-quality vessels at attractive prices

As market conditions continue to improve, we may opportunistically acquire high-quality vessels at attractive prices that are accretive to our cash flow. We also look to opportunistically renew our fleet by replacing older vessels that have higher maintenance and survey costs and lower operating efficiencies with newer vessels that have lower operating costs, fewer maintenance and survey requirements, lower fuel consumption and overall enhanced commercial attractiveness to our charterers. When evaluating acquisitions, we will consider and analyze, among other things, our expectations of fundamental developments in the dry bulk shipping industry sector, the level of liquidity in the resale and charter market, the cash flow earned by the vessel in relation to its value, its condition and technical specifications with particular regard to fuel consumption, expected remaining useful life, the credit quality of the charterer and duration and terms of charter contracts for vessels acquired with charters attached, as well as the overall diversification of our fleet and customers. We believe that these circumstances combined with our management’s knowledge of the shipping industry may present an opportunity for us to continue to grow our fleet at favorable prices.

Maintain a strong balance sheet through optimization of use of leverage

We finance our fleet with a mix of debt and equity, and we intend to optimize use of leverage over time, even though we may have the capacity to obtain additional financing. As of December 31, 2021, our debt to total capitalization ratio (i.e. the book value of our vessels) was approximately 40%. Charterers have increasingly favored financially solid vessel owners, and we believe that our balance sheet strength will enable us to access more favorable chartering opportunities, as well as give us a competitive advantage in pursuing vessel acquisitions from commercial banks and shipyards, which in our experience have recently displayed a preference for contracting with well-capitalized counterparties.

Competition

Demand for dry bulk carriers fluctuates in line with the main patterns of trade of the major dry bulk cargoes and varies according to their supply and demand. We compete with other owners of dry bulk carriers in the Newcastlemax, Capesize, Post Panamax, Kamsarmax, Panamax, Ultramax and Supramax size sectors. Ownership of dry bulk carriers is highly fragmented. 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.

Customers

We have well-established relationships with major dry bulk charterers, which we serve by carrying a variety of cargoes over a multitude of routes around the globe. We charter out our vessels to first class iron ore miners, utilities companies, commodity trading houses and diversified shipping companies.

Seasonality

Demand for vessel capacity has historically exhibited seasonal variations and, as a result, fluctuations in charter rates. This seasonality may result in quarter-to-quarter volatility in our operating results for vessels trading in the spot market. 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. Seasonality in the sector in which we operate could materially affect our operating results and cash flows.

Operations

In-house Management of the fleet

Star Bulk Management Inc., Star Bulk Shipmanagement Company (Cyprus) Limited and Starbulk S.A., three of our wholly-owned subsidiaries, perform the operational and technical management services for the majority of the vessels in our fleet, including chartering, marketing, capital expenditures, personnel, accounting, paying vessel taxes and maintaining insurance.

As of December 31, 2021, we had 181 employees engaged in the day to day management of our fleet, including our executive officers, through Star Bulk Management Inc., Star Bulk Shipmanagement Company (Cyprus) Limited and Starbulk S.A. which employ a number of shore-based executives and employees designed to ensure the efficient performance of our activities. We reimburse and/or advance funds as necessary to our in-house managers in order for them to conduct their activities and discharge their obligations, at cost.

Star Bulk Management Inc. is responsible for the management of the vessels. Star Bulk Management's responsibilities include, inter alia, locating, purchasing, financing and selling vessels, deciding on capital expenditures for the vessels, paying vessels' taxes, negotiating charters for the vessels, managing the mix of various types of charters, developing and managing the relationships with charterers and the operational and technical managers of the vessels. Star Bulk Management Inc. subcontracts certain vessel management services to Starbulk S.A.

Starbulk S.A. provides the technical and crew management of the majority of our vessels. Technical management includes maintenance, dry docking, repairs, insurance, regulatory and classification society compliance, arranging for and managing crews, appointing technical consultants and providing technical support.

Star Bulk Shipmanagement Company (Cyprus) Limited provides technical and operation management services to 14 of our vessels. The management services include arrangement and supervision of dry docking, repairs, insurance, regulatory and classification society compliance, provision of crew, appointment of surveyors and technical consultants.

Crewing

Starbulk S.A. and Star Bulk Shipmanagement Company (Cyprus) Limited are responsible for recruiting, either directly or through a technical manager or a crew manager, the senior officers and all other crew members for the vessels in our fleet. Both companies have the responsibility to ensure that all seamen have the qualifications and licenses required to comply with international regulations and shipping conventions, and that the vessels are manned by experienced, competent and trained personnel. Starbulk S.A. and Star Bulk Shipmanagement Company (Cyprus) Limited are also responsible for ensuring that seafarers' wages and terms of employment conform to international standards or to general collective bargaining agreements to allow unrestricted worldwide trading of the vessels and provide the crewing management for the vessels in our fleet that are not managed by third party managers.

Outsourced Management of the fleet

We engage Ship Procurement Services S.A., a third-party company, to provide to our fleet certain procurement services.

Following the completion of the acquisition of certain vessels from Augustea Atlantica SpA ("Augustea") and York Capital Management ("York") in 2018, (the "Augustea Vessels"), we appointed Augustea Technoservices Ltd., an entity affiliated with certain of the sellers of the corresponding transaction and specifically with one of the Company's directors, Mr. Zagari (see "Item 6. Directors, Senior Management and Employees—A. Directors and Senior Management") as the technical manager of certain of our vessels.

During 2018 and 2019, we appointed Equinox Maritime Ltd., Zeaborn GmbH & Co. KG and Technomar Shipping Inc., which are third party management companies, to provide certain management services to our vessels.

In addition, in 2021 we appointed Iblea Ship Management Limited, an entity affiliated with one of the Company's directors, Mr. Zagari, to provide certain management services to our vessels, previously managed by Augustea Technoservices Ltd.

As of December 31, 2021, Augustea Technoservices Ltd., Equinox Maritime Ltd., Zeaborn GmbH & Co. KG, Technomar Shipping Inc. and Iblea Ship Management Limited provide technical, operation and crewing management services to 44 of the 128 vessels in our fleet. Please also see "Item 7. Major Shareholders and Related Party Transactions—B. Related Party Transactions."

Basis for Statements

The International Dry Bulk Shipping Industry

Dry bulk cargo is cargo that is shipped in large quantities and can be easily stowed in a single hold with little risk of cargo damage. In 2021, based on preliminary figures, it is estimated that approximately 5.4 billion tons of dry bulk cargo was transported by sea.

The demand for dry bulk carrier capacity is derived from the underlying demand for commodities transported in dry bulk carriers, which is influenced by various factors such as broader macroeconomic dynamics, globalization trends, industry specific factors, geological structure of ores, political factors, and weather. The demand for dry bulk carriers is determined by the volume and geographical distribution of seaborne dry bulk trade, which in turn is influenced by general trends in the global economy and factors affecting demand for commodities. During the 1980s and 1990s seaborne dry bulk trade increased by 1-2% per annum. However, over the last fifteen years, between 2007 and 2021, seaborne dry bulk trade increased at a compound annual growth rate of 3.2%, substantially influenced by the entrance of China in the World Trade Organization. Seaborne world trade increased by 4.1% during 2021 due to strong global economic recovery supported by vaccination against COVID-19 and synchronized global economic stimulus that inflated iron ore, coal, grains and minor bulks trade, notably on long-haul routes to Asia. The global dry bulk carrier fleet may be divided into seven categories based on a vessel's carrying capacity. These main categories consist of:

- Newcastlemax vessels, which are vessels with carrying capacities of between 200,000 and 210,000 dwt. These vessels carry both iron ore and coal and they represent the largest vessels able to enter the port of Newcastle in Australia. There are relatively few ports around the world with the infrastructure to accommodate vessels of this size.

- Capesize vessels, which are vessels with carrying capacities of between 100,000 and 200,000 dwt. These vessels generally operate along long-haul iron ore and coal trade routes. There are relatively few ports around the world with the infrastructure to accommodate vessels of this size.

- Post-Panamax vessels, which are vessels with carrying capacities of between 90,000 and 100,000 dwt. These vessels tend to have a shallower draft and larger beam than a standard Panamax vessel, and a higher cargo capacity. These vessels have been designed specifically for loading high cubic cargoes from draft restricted ports, and they can traverse the Panama Canal following the completion of its latest expansion.

- Panamax vessels, which are vessels with carrying capacities of between 65,000 and 90,000 dwt. These vessels carry coal, grains, and, to a lesser extent, minor bulks, including steel products, forest products and fertilizers. Panamax vessels can pass through the Panama Canal.

- Ultramax vessels, which are vessels with carrying capacities of between 60,000 and 65,000 dwt. These vessels carry grains and minor bulks and operate along many global trade routes. They represent the largest and most modern version of Supramax bulk carrier vessels (see below).

- Handymax vessels, which are vessels with carrying capacities of between 35,000 and 60,000 dwt. The subcategory of vessels that have a carrying capacity of between 45,000 and 60,000 dwt are called Supramax. Handymax vessels operate along a large number of geographically dispersed global trade routes, mainly carrying grains and minor bulks. Vessels below 60,000 dwt are sometimes built with on-board cranes enabling them to load and discharge cargo in countries and ports with limited infrastructure.

- Handysize vessels, which are vessels with carrying capacities of up to 35,000 dwt. These vessels carry exclusively minor bulk cargo. Increasingly, these vessels have been operating along regional trading routes. Handysize vessels are well suited for small ports with length and draft restrictions that lack the infrastructure for cargo loading and unloading.

The supply of dry bulk carriers is dependent on the delivery of new vessels and the removal of vessels from the global fleet, either through scrapping or loss, and the demand for dry bulk shipping is often dependent on economic conditions, and international trade. The historically low dry bulk charter rates seen in 2016 acted as a catalyst for ship owners, who scrapped a significant number of vessels, until equilibrium between demand and supply of vessels was achieved. Based on our analysis of industry dynamics, we believe that dry bulk charter rates will remain strong in the medium term due to historically low vessel deliveries. As of January 4, 2022, the global dry bulk carrier order book amounted to approximately 7.0% of the existing fleet at that time, a record low number not seen in 30 years. During 2021, a total of 5.2 million dwt was scrapped, which was only a third compared to the year before as the freight market increased to 14 years high levels. Historically, from 2006 to 2021, vessel annual demolition rate averaged 14.3 million dwt per year, with a high of 33.3 million dwt scrapped in 2012. Given the low dry bulk order book, the uncertainty on future propulsion as a result of upcoming environmental regulations and the limited shipyard capacity, vessel supply is likely to be constrained during the next two years, while demand for seaborne trade is expected to surpass vessel supply resulting in increased fleet utilization and elevated freight rates. While the charter market remains at current levels, we intend to operate our vessels in the spot market under short-term time charters or voyage charters in order to benefit from the increased freight rates and the attractiveness of our scrubber-equipped vessels.

Charter rates paid for dry bulk carriers are primarily a function of the underlying balance between vessel supply and demand, although at times other factors may play a role. Furthermore, the pattern seen in charter rates is broadly similar across the different charter types and between the different dry bulk carrier categories. However, because demand for larger dry bulk carriers is affected by the volume and pattern of trade in a relatively small number of commodities, charter rates (and vessel values) of larger ships tend to be more volatile than those for smaller vessels.

In the time charter market, rates vary depending on the length of the charter period and vessel specific factors such as age, speed and fuel consumption. In the voyage charter market, rates are also 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 than routes with low port dues and no canals to transit.

Voyages with a load port within a region that includes ports where vessels usually discharge cargo or a discharge port within a region with ports where vessels load cargo are generally quoted at lower rates, because such voyages generally increase vessel utilization 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 charter rate references most likely to be monitored are the freight rate indices issued by the Baltic Exchange, such as the Baltic Dry Index (“BDI”). These references are based on actual charter 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 BDI declined from a high of 11,793 in May 2008 to a low of 290 in February 2016, which represents a decline of 98%. In 2021, the BDI ranged from a low of 1,303 in February 2021, to a high of 5,650 in October 2021. As of January 4, 2022, the BDI stood at 2,285. Even though charter hire levels have increased compared to the lows of 2016, there can be no assurance that they will increase further, and the market could decline again.

Environmental and Other Regulations in the Shipping Industry

Government laws and regulations significantly affect the ownership and operation of our fleets. We are subject to international conventions and treaties, national, state and local laws and regulations in force in the countries where our vessels may operate or are registered, relating to safety, health and environmental protection. Industry standards and regulations set by maritime organizations play a major role in the manner in which we conduct our business. Taking all the necessary measures and going above and beyond compliance is the prerequisite for delivering services of the highest quality. The above include the storage, handling, emission, transportation and discharge of hazardous and non-hazardous materials, and the remediation of contamination and liability for damage to natural resources. Compliance with such laws, regulations and other requirements entails significant expense, including vessel modifications and implementation of certain operating procedures.

Our company has specifically developed a recycling policy, which has been included within our Safety Management System (“SMS”) and applies to all the managed vessels. In addition to the above, there are clearly and accurately defined measures that need to be retained as well as standards that should be achieved, which are required, in view of the levels of excellence that our company aims for and achieves. There is a clear delegation of the monitoring and maintenance to responsible entities (both ashore and on board) and the duties have been clarified as required. Each vessel has a ship specific plan (namely the Inventory of Hazardous Materials), which has been reviewed and approved by the competent classification society and they have been certified for compliance with the required regulation.

Active engagement with state and regulatory authorities ensures compliance with all applicable standards and regulation. We follow and comply with state and regulatory authority rules and regulations and have adopted and implemented all the necessary operational procedures in order to meet the requirements of those regulations, such as Air emission compliance (NOx, SOx and CO2 reporting). We aim to provide top-quality services without neglecting to adjust for industry needs, always maintaining high ethical standards and abiding by all applicable laws, rules, regulations and standards. We focus on creating real and long-lasting opportunities while advocating for a balanced, sustainable approach to our business and pursuing continuous improvement of our operational capabilities.

Furthermore, we established a standardized and structured process to ensure completeness, consistency and accuracy in our monitoring and reporting process for the World wide, EU and UK Monitoring, Reporting and Verification (MRV) trading (IMO, Data Collection System (DCS), EU & UK MRV) as well as the relevant monitoring plans and advanced data collection, analysis, monitoring and reporting systems through our VPM system. As part of the data collection and key performance indicators’ calculation process we use our in-house developed VPM system, which provides accurate and real time information regarding the performance of our vessels. Additionally, with the introduction of IMO DCS,EU MRV, UK MRV, the reported CO2 emissions of our vessels are also subjected to third party verification by an independent accredited verifier.

A variety of government and private entities subject our vessels to both scheduled and unscheduled inspections. These entities include the local port authorities (applicable national authorities such as the USCG, harbor master or equivalent), classification societies, flag state administrations (countries of registry) and charterers, particularly terminal operators. Certain of these entities require us to obtain permits, licenses, certificates and other authorizations for the operation of our vessels. Failure to maintain necessary permits or approvals could require us to incur substantial costs or result in the temporary suspension of the operation of one or more of our vessels.

Apart from the above, our Company has also become certified according to the ISO 9001, 14001, 45001 and 50001 standards pertaining to compliance with elevated quality, environmental, occupational health and safety and energy efficiency requirements, thus increasing the requirements our vessels and management company have to comply with on various levels. In addition, RightShip, which is a voluntary compliance requirement but a highly desirable chartering verifier among top charterers, is also demanding compliance with their standards regarding environmental acceptability based on a number of variables and factors important in the maritime industry.

Increasing environmental concerns have created a demand for vessels that conform to stricter environmental standards. We are required to maintain operating standards for all of our vessels that emphasize operational safety, quality maintenance, continuous training of our officers and crews and compliance with United States and international regulations. We ensure that the operation of our vessels is in full compliance with applicable environmental laws and regulations and that our vessels have all material permits, licenses, certificates or other authorizations necessary for carrying out our operations. However, because such laws and regulations frequently change 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.

International Maritime Organization

The IMO has adopted the International Convention for the Prevention of Pollution from Ships, 1973, as modified by the Protocol of 1978 relating thereto, collectively referred to as MARPOL 73/78 and herein as “MARPOL”, the International Convention for the Safety of Life at Sea of 1974 (“SOLAS Convention”), and the International Convention on Load Lines of 1966 (the “LL Convention”). MARPOL establishes environmental standards relating to oil leakage or spilling, garbage management, sewage, air emissions, handling and disposal of noxious liquids and the handling of harmful substances in packaged forms. MARPOL is applicable to dry bulk, tanker and LNG carriers, among other vessels, and is broken into six Annexes, each of which regulates a different source of pollution. Annex I relates to oil leakage or spilling; Annexes II and III relate to harmful substances carried in bulk in liquid or in packaged form, respectively; Annexes IV and V relate to sewage and garbage management, respectively; and Annex VI, lastly, relates to air emissions. Annex VI was separately adopted by the IMO in September of 1997; new emissions standards, titled IMO-2020, took effect on January 1, 2020.

Air Emissions

In September of 1997, the IMO adopted Annex VI to MARPOL to address air pollution from vessels. Effective May 2005, Annex VI sets limits on sulfur oxide and nitrogen oxide emissions from all commercial vessel exhausts and prohibits “deliberate emissions” of ozone depleting substances (such as halons and chlorofluorocarbons), emissions from shipboard incineration of specific substances. Annex VI also includes a global cap on the sulfur content of fuel oil and allows for special areas to be established with more stringent controls on sulfur emissions, as explained below. We ensure that all of our vessels are in full compliant in all material respects with these regulations.

The Marine Environment Protection Committee, or “MEPC,” adopted amendments to Annex VI regarding emissions of sulfur oxide, nitrogen oxide, particulate matter and ozone depleting substances, which entered into force on July 1, 2010. The amended Annex VI seeks to further reduce air pollution by, among other things, implementing a progressive reduction of the amount of sulfur contained in any fuel oil used on board ships. On October 27, 2016, at its 70th session, the MEPC agreed to implement a global 0.5% m/m sulfur oxide emissions limit (reduced from 3.5%) starting from January 1, 2020. This limitation can be met by using low-sulfur compliant fuel oil, alternative fuels or certain exhaust gas cleaning systems. Ships are now required to obtain bunker delivery notes and International Air Pollution Prevention (“IAPP”) Certificates from their flag states that specify sulfur content. Additionally, at MEPC 73, amendments to Annex VI to prohibit the carriage of bunkers above 0.5% sulfur on ships were adopted and took effect March 1, 2020, with the exception of vessels fitted with exhaust gas cleaning equipment (“scrubbers”) which can carry fuel of higher sulfur content. These regulations subject ocean-going vessels to stringent emissions controls and may cause us to incur substantial costs.

Sulfur content standards are even stricter within certain "Emission Control Areas," or ("ECAs"). As of January 1, 2015, ships operating within an ECA were not permitted to use fuel with sulfur content in excess of 0.1% m/m. Amended Annex VI establishes procedures for designating new ECAs. Currently, the IMO has designated four ECAs, including specified portions of the Baltic Sea area, North Sea area, North American area and United States Caribbean Sea area. Ocean-going vessels in these areas will be subject to stringent emission controls and may cause us to incur additional costs. Other areas in China are subject to local regulations that impose stricter emission controls. In December 2021, the member states of the Convention for the Protection of the Mediterranean Sea Against Pollution ("Barcelona Convention") agreed to support the designation of a new ECA in the Mediterranean. The group plans to submit a formal proposal to the IMO by the end of 2022 with the goal of having the ECA implemented by 2025. If other ECAs are approved by the IMO, or other new or more stringent requirements relating to emissions from marine diesel engines or port operations by vessels are adopted by the U.S. Environmental Protection Agency ("EPA") or the states where we operate, compliance with these regulations could entail significant capital expenditures or otherwise increase the costs of our operations.

Amended Annex VI also establishes new tiers of stringent nitrogen oxide emissions standards for marine diesel engines, depending on their date of installation. At the MEPC meeting held from March to April 2014, amendments to Annex VI were adopted which address the date on which Tier III Nitrogen Oxide (NOx) standards in ECAs will go into effect. Under the amendments, Tier III NOx standards apply to ships that operate in the North American and U.S. Caribbean Sea ECAs designed for the control of NOx produced by vessels with a marine diesel engine installed and constructed on or after January 1, 2016. Tier III requirements could apply to areas that will be designated for Tier III NOx in the future. At MEPC 70 and MEPC 71, the MEPC approved the North Sea and Baltic Sea as ECAs for nitrogen oxide for ships built on or after January 1, 2021. For the moment, this regulation relates to new building vessels and has no retroactive application to existing fleet. The EPA promulgated equivalent (and in some senses stricter) emissions standards in 2010. As a result of these designations or similar future designations, we may be required to incur additional operating or other costs.

Further to the above, as of the September 1, 2020 it became mandatory to use fuel with max 0.1% Sulfur content while berthing in South Korean ports. There are specific requirements for the berthing process, and we are diligently complying with all of them. Moreover, from January 1, 2022 onwards, it is mandatory to use fuel with max 0.1% Sulfur content while navigating South Korea's ECAs.

The second part of the Korean regulations have to do with speed reductions. The port areas selected will be designated as "Vessel Speed Reduction program Sea Areas" or "VSR program Sea Areas". Each VSR program Sea Area will span 20 nautical miles in radius, measured from a specific lighthouse in each port. Ships should navigate no faster than a maximum speed of 12 knots for container ships and car-carriers and 10 knots for other ship types, when moving from starting point to an end point within a VSR program Sea Area.

As determined at the MEPC 70, the new Regulation 22A of MARPOL Annex VI became effective as of March 1, 2018 and requires ships above 5,000 gross tonnage to collect and report annual data on fuel oil consumption to an IMO database, with the first year of data collection having commenced on January 1, 2019. The IMO intends to use such data as the first step in its roadmap (through 2023) for developing its strategy to reduce greenhouse gas emissions from ships, as discussed further below. In order to prove compliance with the above, our Company collects data, monitors the information received and is ready to report them though our VPM system.

As of January 1, 2013, MARPOL made mandatory certain measures relating to energy efficiency for ships. All ships are now required to develop and implement Ship Energy Efficiency Management Plans ("SEEMP"), and new ships must be designed in compliance with minimum energy efficiency levels per capacity mile as defined by the Energy Efficiency Design Index ("EEDI"). Under these measures, by 2025, all new ships built will be 30% more energy efficient than those built in 2014. MEPC 75 adopted amendments to MARPOL Annex VI which brings forward the effective date of the EEDI's "phase 3" requirements from January 1, 2025 to April 1, 2022 for several ship types, including gas carriers, general cargo ships, and LNG carriers.

Additionally, MEPC 75 introduced draft amendments to Annex VI which impose new regulations to reduce greenhouse gas emissions from ships. These amendments introduce requirements to assess and measure the energy efficiency of all ships and set the required attainment values, with the goal of reducing the carbon intensity of international shipping. The requirements include (1) a technical requirement to reduce carbon intensity based on a new Energy Efficiency Existing Ship Index ("EEXI"), and (2) operational carbon intensity reduction requirements, based on a new operational carbon intensity indicator ("CII"). The attained EEXI is required to be calculated for ships of 400 gross tonnage and above, in accordance with different values set for ship types and categories. With respect to the CII, the draft amendments would require ships of 5,000 gross tonnage to document and verify their actual annual operational CII achieved against a determined required annual operational CII. Additionally, MEPC 75 proposed draft amendments requiring that, on or before January 1, 2023, all ships above 400 gross tonnage must have an approved SEEMP on board. For ships above 5,000 gross tonnage, the SEEMP would need to include certain mandatory content. MEPC 75 also approved draft amendments to MARPOL Annex I to prohibit the use and carriage for use as fuel of heavy fuel oil ("HFO") by ships in Arctic waters on and after July 1, 2024. The draft amendments introduced at MEPC 75 were adopted at the MEPC 76 session in June 2021 and are expected to enter into force on November 1, 2022, with the requirements for EEXI and CII certification coming into effect from January 1, 2023. MEPC 77 adopted a non-binding resolution which urges Member States and ship operators to voluntarily use distillate or other cleaner alternative fuels or methods of propulsion that are safe for ships and could contribute to the reduction of Black Carbon emissions from ships when operating in or near the Arctic.

Any vessels that will not meet this new EEXI requirement will need to adopt energy-saving/emission reducing technology, through retrofits, to reach compliant levels. This creates a vast array of implications for the shipping industry going forward. Recycling of older ships could accelerate as the investments to comply with regulations may be very costly. One of the most efficient ways of reducing emissions is reducing vessel speed power, this would in turn limit the supply. The Company owns one of the most modern and fuel-efficient fleets in the industry.

Maintaining and improving our position in respect of the above creates an extremely compelling outlook for our company in the next 2-5 years.

Our company has also become certified under the ISO 50001 standard for energy efficiency, which has caused our vessels to comply with even more requirements and to ensure that they are continuously improving their performance in order to satisfy these requirements. Compliance with ISO 50001 requires that we continuously improve our vessels' energy performance, energy efficiency, energy use and consumption.

The majority of our fleet is fitted with Exhaust Gas Cleaning Systems, an equipment that reduces the sulfur air emission.

We may incur costs to comply with these revised standards. Additional or new conventions, laws and regulations may be adopted that could require the installation of expensive emission control systems and could adversely affect our business, results of operations, cash flows and financial condition.

Greenhouse Gas Regulation

Currently, the emissions of greenhouse gases from international shipping are not subject to the Kyoto Protocol to the United Nations Framework Convention on Climate Change, which entered into force in 2005 and pursuant to which adopting countries have been required to implement national programs to reduce greenhouse gas emissions with targets extended through 2020. International negotiations are continuing with respect to a successor to the Kyoto Protocol, and restrictions on shipping emissions may be included in any new treaty. In December 2009, more than 27 nations, including the U.S. and China, signed the Copenhagen Accord, which includes a non-binding commitment to reduce greenhouse gas emissions. The 2015 United Nations Climate Change Conference in Paris resulted in the Paris Agreement, which entered into force on November 4, 2016 and does not directly limit greenhouse gas emissions from ships. The U.S. initially entered into the agreement, but on June 1, 2017, former U.S. President Trump announced that the United States intends to withdraw from the Paris Agreement and the withdrawal became effective on November 4, 2020. On January 20, 2021, U.S. President Biden signed an executive order to rejoin the Paris Agreement, which the U.S. officially rejoined on February 19, 2021.

At MEPC 70 and MEPC 71, a draft outline of the structure of the initial strategy for developing a comprehensive IMO strategy on reduction of greenhouse gas emissions from ships was approved. In accordance with this roadmap, in April 2018, nations at the MEPC 72 adopted an initial strategy to reduce greenhouse gas emissions from ships. The initial strategy identifies "levels of ambition" to reducing greenhouse gas emissions, including (1) decreasing the carbon intensity from ships through implementation of further phases of the EEDI for new ships; (2) reducing carbon dioxide emissions per transport work, as an average across international shipping, by at least 40% by 2030, pursuing efforts towards 70% by 2050, compared to 2008 emission levels; and (3) reducing the total annual greenhouse emissions by at least 50% by 2050 compared to 2008 while pursuing efforts towards phasing them out entirely. The initial strategy notes that technological innovation, alternative fuels and/or energy sources for international shipping will be integral to achieve the overall ambition. These regulations could cause additional substantial expenses to be incurred.

The EU made a unilateral commitment to reduce overall greenhouse gas emissions from its member states from 20% of 1990 levels by 2020. The EU also committed to reduce its emissions by 20% under the Kyoto Protocol's second period from 2013 to 2020. Starting in January 2018, large ships over 5,000 gross tonnage calling at EU ports are required to collect and publish data on carbon dioxide emissions and other information. As further discussed herein, regulations relating to the inclusion of greenhouse gas emissions from the maritime sector in the European Union's carbon market are also forthcoming.

In the United States, the EPA issued a finding that greenhouse gases endanger the public health and safety, adopted regulations to limit greenhouse gas emissions from certain mobile sources and proposed regulations to limit greenhouse gas emissions from large stationary sources. However, in March 2017, former U.S. President Trump signed an executive order to review and possibly eliminate the EPA's plan to cut greenhouse gas emissions, and, further, in August 2019, the Administration announced plans to weaken regulations for methane emissions. On August 13, 2020, the EPA released rules rolling back standards to control methane and volatile organic compound emissions from new oil and gas facilities. However, U.S. President Biden recently directed the EPA to publish a proposed rule suspending, revising, or rescinding certain of these rules. The EPA or individual U.S. states could enact environmental regulations that would affect our operations.

Any passage of climate control legislation or other regulatory initiatives by the IMO, the EU, the U.S. or other countries where we operate, or any treaty adopted at the international level to succeed the Kyoto Protocol or Paris Agreement, that restricts emissions of greenhouse gases could require us to make significant financial expenditures which we cannot predict with certainty at this time. Even in the absence of climate control legislation, our business may be indirectly affected to the extent that climate change may result in sea level changes or certain weather events.

We may incur costs to comply with these revised standards. Additional or new conventions, laws and regulations may be adopted that could require the installation of expensive emission control systems and could adversely affect our business, results of operations, cash flows and financial condition.

Safety Management System Requirements

The SOLAS Convention was amended to address the safe manning of vessels and emergency training drills. The Convention of Limitation of Liability for Maritime Claims (the "LLMC") sets limitations of liability for a loss of life or personal injury claim or a property claim against ship owners. We ensure that our vessels are in full compliance with SOLAS. Owners' compliance with LLMC requirements is covered under the Protection & Indemnity insurance.

Under Chapter IX of the SOLAS Convention, or the International Safety Management Code for the Safe Operation of Ships and for Pollution Prevention (the "ISM Code"), our operations are also subject to environmental standards and requirements. The ISM Code requires the party with operational control of a vessel to develop 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 describing procedures for responding to emergencies. We rely upon the safety management system that we and our technical management team have developed for compliance with the ISM Code. The failure of a vessel owner or bareboat charterer to comply with the ISM Code may subject such party to increased liability, may decrease available insurance coverage for the affected vessels and may result in a denial of access to, or detention in, certain ports. Our Company along with a number of vessels are certified under the 9001 & 14001 ISO standards, and as such, are fully compliant with the additional requirements and restrictions that have been set. We are committed to conducting our operations

systematically by following the requirements of the ISO 14001 striving to maintain ZERO Oil Spills and ZERO Marine and Pollution Atmospheric Incidents. Our Company is also committed to responding timely and effectively to environmental incidents resulting from our operations, respecting the environment by emphasizing every employee's responsibility in environmental performance and fostering appropriate operating practices and training, managing our business with the goal of preventing environmental incidents and controlling emissions and wastes to below harmful levels, using energy, water, materials and other natural resources as efficiently as possible, giving particular regard to the long-term sustainability of consumable items and minimizing waste by reducing our waste generation.

The ISM Code requires that vessel operators obtain a safety management certificate for each vessel they operate. This certificate evidences compliance by a vessel's management with the ISM Code requirements for a safety management system. No vessel can obtain a safety management certificate unless its manager has been awarded a document of compliance, issued by each flag state, under the ISM Code. We have obtained applicable documents of compliance for our offices and safety management certificates for all of our vessels for which certificates are required by the IMO. The document of compliance and safety management certificate are periodically reviewed and renewed as required.

Regulation II-1/3-10 of the SOLAS Convention governs ship construction and stipulates that ships over 150 meters in length must have adequate strength, integrity and stability to minimize risk of loss or pollution. Goal-based standards amendments in SOLAS regulation II-1/3-10 entered into force in 2012, with July 1, 2016 set for application to new oil tankers and bulk carriers. The SOLAS Convention regulation II-1/3-10 on goal-based ship construction standards for bulk carriers and oil tankers, which entered into force on January 1, 2012, requires that all oil tankers and bulk carriers of 150 meters in length and above, for which the building contract is placed on or after July 1, 2016, satisfy applicable structural requirements conforming to the functional requirements of the International Goal-based Ship Construction Standards for Bulk Carriers and Oil Tankers ("GBS Standards").

Amendments to the SOLAS Convention Chapter VII apply to vessels transporting dangerous goods and require those vessels be in compliance with the International Maritime Dangerous Goods Code ("IMDG Code"). Effective January 1, 2018, the IMDG Code includes (1) updates to the provisions for radioactive material, reflecting the latest provisions from the International Atomic Energy Agency, (2) new marking, packing and classification requirements for dangerous goods and (3) new mandatory training requirements. Amendments which took effect on January 1, 2020 also reflect the latest material from the UN Recommendations on the Transport of Dangerous Goods, including (1) new provisions regarding IMO type 9 tank, (2) new abbreviations for segregation groups, and (3) special provisions for carriage of lithium batteries and of vehicles powered by flammable liquid or gas. The upcoming amendments, which will come into force on June 1, 2022, include (1) addition of a definition of dosage rate, (2) additions to the list of high consequence dangerous goods, (3) new provisions for medical/clinical waste, (4) addition of various ISO standards for gas cylinders, (5) a new handling code, and (6) changes to stowage and segregation provisions.

The IMO has also adopted the International Convention on Standards of Training, Certification and Watchkeeping for Seafarers ("STCW"). As of February 2017, all seafarers are required to meet the STCW standards and be in possession of a valid STCW certificate. Flag states that have ratified SOLAS and STCW generally employ the classification societies, which have incorporated SOLAS and STCW requirements into their class rules, to undertake surveys to confirm compliance.

The IMO's Maritime Safety Committee and MEPC, respectively, each adopted relevant parts of the International Code for Ships Operating in Polar Water (the "Polar Code"). The Polar Code, which entered into force on January 1, 2017, covers design, construction, equipment, operational, training, search and rescue as well as environmental protection matters relevant to ships operating in the waters surrounding the two poles. It also includes mandatory measures regarding safety and pollution prevention as well as recommendatory provisions. The Polar Code applies to new ships constructed after January 1, 2017, and after January 1, 2018, ships constructed before January 1, 2017 are required to meet the relevant requirements by the earlier of their first intermediate or renewal survey.

Furthermore, recent action by the IMO's Maritime Safety Committee and United States agencies indicates that cybersecurity regulations for the maritime industry are likely to be further developed in the near future in an attempt to combat cybersecurity threats. By IMO resolution, administrations are encouraged to ensure that cyber-risk management systems must be incorporated by ship-owners and managers no later than the first annual verification of

the Company's Document of Compliance after 1 January 2021. In February 2021, the U.S. Coast Guard published guidance on addressing cyber risks in a vessel's safety management system. This might cause companies to create additional procedures for monitoring cybersecurity, which could require additional expenses and/or capital expenditures. The impact of future regulations is hard to predict at this time. Our Company has already taken the necessary steps to ensure data integrity and full compliance both from the office side and on board our vessels. The company is in the process of becoming fully certified for ISO27001, with the first stage already completed. The vessels are being monitored under the existing cyber security requirements, required by the IMO as well as the additional best practices by other entities. Each vessel has a ship-specific cyber security plan, and its IT and OT systems have been inventoried, in order for the relevant hazards to be identified.

This ship specific plan has been developed for each vessel covering the requirements according to the updated regulations as well as additional precautions to be maintained on multiple accounts. Detailed pieces of information have been added, pertaining to the software and cyber security on board and additional measures have been taken to protect the integrity of our vessels. Specific policies have been developed to that effect, such as cyber-security, email usage, password, device, workstation policies, etc. Very specific guidelines have been provided to the Masters and crew members regarding their conduct when facing the authorities and what dos and don'ts should be adhered to, in order for the cyber requirements to be fulfilled at all times.

Pollution Control and Liability Requirements

The IMO has negotiated international conventions that impose liability for pollution in international waters and the territorial waters of the signatories to such conventions. For example, the IMO adopted an International Convention for the Control and Management of Ships' Ballast Water and Sediments (the "BWM Convention") in 2004. The BWM Convention entered into force on September 8, 2017. The BWM Convention requires ships to manage their ballast water to remove, render harmless or avoid the uptake or discharge of new or invasive aquatic organisms and pathogens within ballast water and sediments. The BWM Convention's implementing regulations call for a phased introduction of mandatory ballast water exchange requirements, to be replaced in time with mandatory concentration limits, and require all ships to carry a ballast water record book and an international ballast water management certificate.

On December 4, 2013, the IMO Assembly passed a resolution revising the application dates of the BWM Convention so that the dates are triggered by the entry into force date and not the dates originally in the BWM Convention. This, in effect, makes all vessels delivered before the entry into force date "existing vessels" and allows for the installation of ballast water management systems on such vessels at the first International Oil Pollution Prevention ("IOPP") renewal survey following entry into force of the convention. As part of our commitment to comply with the international regulation, we are progressively installing BWTS in our fleet.

The MEPC adopted updated guidelines for approval of ballast water management systems (G8) at MEPC 70. At MEPC 71, the schedule regarding the BWM Convention's implementation dates was also discussed and amendments were introduced to extend the date existing vessels are subject to certain ballast water standards. Those changes were adopted at MEPC 72. Ships over 400 gross tons generally must comply with a "D-1 standard," requiring the exchange of ballast water only in open seas and away from coastal waters. The "D-2 standard" specifies the maximum amount of viable organisms allowed to be discharged, and compliance dates vary depending on the IOPP renewal dates. Depending on the date of the IOPP renewal survey, existing vessels must comply with the D-2 standard on or after September 8, 2019. For most ships, compliance with the D-2 standard will involve installing on-board systems to treat ballast water and eliminate unwanted organisms. Ballast water management systems, which include systems that make use of chemical, biocides, organisms or biological mechanisms, or which alter the chemical or physical characteristics of the ballast water, must be approved in accordance with IMO Guidelines (Regulation D-3). As of October 13, 2019, MEPC 72's amendments to the BWM Convention took effect, making the Code for Approval of Ballast Water Management Systems, which governs assessment of ballast water management systems, mandatory rather than permissive, and formalized an implementation schedule for the D-2 standard. Under these amendments, all ships must meet the D-2 standard by September 8, 2024. Costs of compliance with these regulations may be substantial.

We have developed and implemented the required BWTS on the majority of our fleet and are in compliance with all the applicable regulations.

Once mid-ocean ballast exchange or ballast water treatment requirements become mandatory under the BWM Convention, the cost of compliance could increase for ocean carriers and may have a material effect on our operations. Irrespective of the BWM convention, certain countries such as the U.S. have enforced and implemented regional requirement related to the system certification, operation and reporting.

The IMO also adopted the International Convention on Civil Liability for Bunker Oil Pollution Damage (the "Bunker Convention") to impose strict liability on ship owners (including the registered owner, bareboat charterer, manager or operator) for pollution damage in jurisdictional waters of ratifying states caused by discharges of bunker fuel. The Bunker Convention requires registered owners of ships over 1,000 gross tons 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 LLMC). With respect to non-ratifying states, liability for spills or releases of oil carried as fuel in ship's bunkers typically is determined by the national or other domestic laws in the jurisdiction where the events or damages occur.

Ships are required to maintain a certificate attesting that they maintain adequate insurance to cover an incident. In jurisdictions, such as the United States where the CLC or the Bunker Convention has not been adopted, various legislative schemes or common law govern, and liability is imposed either on the basis of fault or on a strict-liability basis. Our vessels are all currently holders of these certificates issued by the respective flag administrations, based on the evidence of coverage issued by the respective P&I clubs.

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 on September 17, 2008, prohibits 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 will also be required to undergo an initial survey before the vessel is put into service or before an International Anti-fouling System Certificate is issued for the first time; and subsequent surveys when the anti-fouling systems are altered or replaced.

In November 2020, MEPC 75 approved draft amendments to the Anti-fouling Convention to prohibit anti-fouling systems containing cybutryne, which would apply to ships from January 1, 2023, or, for ships already bearing such an anti-fouling system, at the next scheduled renewal of the system after that date, but no later than 60 months following the last application to the ship of such a system. In addition, the International Anti-fouling System (IAFS) Certificate has been updated to address compliance options for anti-fouling systems to address cybutryne. Ships which are affected by this ban on cybutryne must receive an updated IAFS Certificate no later than two years after the entry into force of these amendments. Ships which are not affected (i.e. with anti-fouling systems which do not contain cybutryne) must receive an updated IAFS Certificate at the next Anti-fouling application to the vessel. These amendments were formally adopted at MEPC 76 in June 2021. Our fleet already complies with this regulation.

We have obtained Anti-fouling System Certificates for all of our vessels that are subject to the Anti-fouling Convention.

Compliance Enforcement

Noncompliance with the ISM Code or other IMO regulations may subject the ship owner or bareboat charterer to increased liability, may lead to decreases in available insurance coverage for affected vessels and may result in the denial of access to, or detention in, some ports. The USCG and EU authorities have indicated that vessels not in compliance with the ISM Code by applicable deadlines will be prohibited from trading in U.S. and EU ports, respectively. As of the date of this annual report, each of our vessels is ISM Code certified. 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 might have on our operations.

United States Regulations

The U.S. Oil Pollution Act of 1990 (“OPA”) established an extensive regulatory and liability regime for the protection and cleanup of the environment from oil spills. OPA affects all “owners and operators” whose vessels trade or operate within the U.S., its territories and possessions or whose vessels operate in U.S. waters, which includes the U.S.’s territorial sea and its 200-nautical mile exclusive economic zone around the U.S. The U.S. has also enacted the Comprehensive Environmental Response, Compensation and Liability Act (“CERCLA”), which applies to the discharge of hazardous substances other than oil, except in limited circumstances, whether on land or at sea. OPA and CERCLA both define “owner and operator” in the case of a vessel as any person owning, operating or chartering by demise, the vessel. Both OPA and CERCLA impact our operations.

Under OPA, vessel owners and operators are “responsible parties” and are jointly, severally and strictly liable (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 threatened discharges of oil from their vessels, including bunkers (fuel). OPA defines these other damages broadly to include:

(i) injury to, destruction or loss of, or loss of use of, natural resources and related assessment costs;

(ii) injury to, or economic losses resulting from, the destruction of real and personal property;

(iii) loss of subsistence use of natural resources that are injured, destroyed or lost;

(iv) net loss of taxes, royalties, rents, fees or net profit revenues resulting from injury, destruction or loss of real or personal property, or natural resources;

(v) lost profits or impairment of earning capacity due to injury, destruction or loss of real or personal property or natural resources; and

(vi) net cost of increased or additional public services necessitated by removal activities following a discharge of oil, such as protection from fire, safety or health hazards, and loss of subsistence use of natural resources.

OPA contains statutory caps on liability and damages; such caps do not apply to direct cleanup costs. Effective November 12, 2019, the USCG adjusted the limits of OPA liability for non-tank vessels, edible oil tank vessels, and any oil spill response vessels, to the greater of $1,200 per gross ton or $997,100 (subject to periodic adjustment for inflation). These limits of liability do not apply if an incident was proximately caused by the violation of an applicable U.S. federal safety, construction or operating regulation by a responsible party (or its agent, employee or a person acting pursuant to a contractual relationship) or a responsible party’s gross negligence or willful misconduct. The limitation on liability similarly does not apply if the responsible party fails or refuses to (i) report the incident as required by law where the responsible party knows or has reason to know of the incident; (ii) reasonably cooperate and assist as requested in connection with oil removal activities; or (iii) without sufficient cause, comply with an order issued under the Federal Water Pollution Act (Section 311 (c), (e)) or the Intervention on the High Seas Act.

CERCLA contains a similar liability regime whereby owners and operators of vessels are liable for cleanup, removal and remedial costs, as well as damages for injury to, or destruction or loss of, natural resources, including the reasonable costs associated with assessing the same, and health assessments or health effects studies. There is no liability if the discharge of a hazardous substance results solely from the act or omission of a third party, an act of God or an act of war. Liability under CERCLA is limited to the greater of $300 per gross ton or $5.0 million for vessels carrying a hazardous substance as cargo and the greater of $300 per gross ton or $500,000 for any other vessel. These limits do not apply (rendering the responsible person liable for the total cost of response and damages) if the release or threat of release of a hazardous substance resulted from willful misconduct or negligence, or the primary cause of the release was a violation of applicable safety, construction or operating standards or regulations. The limitation on liability also does not apply if the responsible person fails or refused to provide all reasonable cooperation and assistance as requested in connection with response activities where the vessel is subject to OPA.

OPA and CERCLA each preserve the right to recover damages under existing law, including maritime tort law. OPA and CERCLA both require owners and operators of vessels to establish and maintain with the USCG evidence of financial responsibility sufficient to meet the maximum amount of liability to which the particular responsible person may be subject. Vessel owners and operators may satisfy their financial responsibility obligations by providing a proof of insurance, a surety bond, qualification as a self-insurer or a guarantee. We comply and plan to comply going forward with the USCG's financial responsibility regulations by providing applicable certificates of financial responsibility. All of our vessels arriving at U.S. or Canadian ports are covered under a COFR – Certificate of Financial Responsibility.

The 2010 Deepwater Horizon oil spill in the Gulf of Mexico resulted in additional regulatory initiatives or statutes, including higher liability caps under OPA, new regulations regarding offshore oil and gas drilling and a pilot inspection program for offshore facilities. However, several of these initiatives and regulations have been or may be revised. For example, the U.S. Bureau of Safety and Environmental Enforcement's ("BSEE") revised Production Safety Systems Rule ("PSSR"), effective December 27, 2018, modified and relaxed certain environmental and safety protections under the 2016 PSSR. Additionally, the BSEE amended the Well Control Rule, effective July 15, 2019, which rolled back certain reforms regarding the safety of drilling operations, and former U.S. President had proposed leasing new sections of U.S. waters to oil and gas companies for offshore drilling. Subsequently, current U.S. President Biden signed an executive order temporarily blocking new leases for oil and gas drilling in federal waters. However, attorney generals from 13 states filed suit in March 2021 to lift the executive order, and in June 2021, a federal judge in Louisiana granted a preliminary injunction against the Biden administration, stating that the power to pause offshore oil and gas leases "lies solely with Congress." With these rapid changes, compliance with any new requirements of OPA and future legislation or regulations applicable to the operation of our vessels could impact the cost of our operations and adversely affect our business.

OPA specifically permits individual states to impose their own liability regimes with regard to oil pollution incidents occurring within their boundaries, provided they accept, at a minimum, the levels of liability established under OPA and some states have enacted legislation providing for unlimited liability for oil spills. Many U.S. states that border a navigable waterway have enacted environmental pollution laws that impose strict liability on a person for removal costs and damages resulting from a discharge of oil or a release of a hazardous substance. These laws may be more stringent than U.S. federal law. Moreover, some states have enacted legislation providing for unlimited liability for discharge of pollutants within their waters, although in some cases, states which have enacted this type of legislation have not yet issued implementing regulations defining vessel owners' responsibilities under these laws. The Company and its vessels that call at U.S. ports are all covered under the QI (Qualified Individual) and engagement with Witt O'Briens and their ongoing contract with the USCG which provide us with the latest updates and legislations and are in charge of updating our manuals pertaining to the relevant requirements. In addition, we are also covered through our contracts with the National Response Corporation for Oil Spill Response Organization purposes and with T&T Salvage, LLC for Salvage & Marine Fire-Fighting.

We currently maintain pollution liability coverage insurance in the amount of $1.0 billion per incident for each of our vessels. If the damages from a catastrophic spill were to exceed our insurance coverage, it could have an adverse effect on our business and results of operation.

Other United States Environmental Initiatives

The U.S. Clean Air Act of 1970 (including its amendments of 1977 and 1990) ("CAA") requires the EPA to promulgate standards applicable to emissions of volatile organic compounds and other air contaminants. The CAA requires states to adopt State Implementation Plans, or "SIPs," some of which regulate emissions resulting from vessel loading and unloading operations which may affect our vessels.

The U.S. Clean Water Act ("CWA") prohibits the discharge of oil, hazardous substances and ballast water in U.S. navigable waters unless authorized by a duly-issued permit or exemption, and imposes strict liability in the form of penalties for any unauthorized discharges. The CWA also imposes substantial liability for the costs of removal, remediation and damages and complements the remedies available under OPA and CERCLA. In 2015, the EPA expanded the definition of "waters of the United States" ("WOTUS"), thereby expanding federal authority under the CWA. Following litigation on the revised WOTUS rule, in December 2018, the EPA and Department of the Army proposed a revised, limited definition of WOTUS. In 2019 and 2020, the agencies repealed the prior WOTUS Rule and promulgated the Navigable Waters Protection Rule ("NWPR") which significantly reduced the scope and oversight of EPA and the Department of the Army in traditionally non-navigable waterways. On August 30, 2021, a federal district court in Arizona vacated the NWPR and directed the agencies to replace the rule. On December 7, 2021, the EPA and the Department of the Army proposed a rule that would reinstate the pre-2015 definition, which is subject to public comment until February 7, 2022.

The EPA and the USCG have also enacted rules relating to ballast water discharge, compliance with which requires the installation of equipment on our vessels to treat ballast water before it is discharged or the implementation of other port facility disposal arrangements or procedures at potentially substantial costs, and/or otherwise restrict our vessels from entering U.S. Waters. The EPA will regulate these ballast water discharges and other discharges incidental to the normal operation of certain vessels within United States waters pursuant to the Vessel Incidental Discharge Act ("VIDA"), which was signed into law on December 4, 2018 and replaces the 2013 Vessel General Permit ("VGP") program (which authorizes discharges incidental to operations of commercial vessels and contains numeric ballast water discharge limits for most vessels to reduce the risk of invasive species in U.S. waters, stringent requirements for exhaust gas scrubbers, and requirements for the use of environmentally acceptable lubricants) and current Coast Guard ballast water management regulations adopted under the U.S. National Invasive Species Act ("NISA"), such as mid-ocean ballast exchange programs and installation of approved USCG technology for all vessels equipped with ballast water tanks bound for U.S. ports or entering U.S. waters. VIDA establishes a new framework for the regulation of vessel incidental discharges under Clean Water Act (CWA), requires the EPA to develop performance standards for those discharges within two years of enactment, and requires the U.S. Coast Guard to develop implementation, compliance and enforcement regulations within two years of EPA's promulgation of standards. Under VIDA, all provisions of the 2013 VGP and USCG regulations regarding ballast water treatment remain in force and effect until the EPA and U.S. Coast Guard regulations are finalized. Non-military, non-recreational vessels greater than 79 feet in length must continue to comply with the requirements of the VGP, including submission of a Notice of Intent ("NOI") or retention of a PARI form and submission of annual reports. All of our vessels submit their NOIs/eNOIs to the USCG and their flag administration accordingly within the required timeframes. Compliance with the EPA, U.S. Coast Guard and state regulations could require the installation of ballast water treatment equipment on our vessels or the implementation of other port facility disposal procedures at potentially substantial cost, or may otherwise restrict our vessels from entering U.S. waters.

European Union Regulations

In October 2009, the EU amended a directive to impose criminal sanctions for illicit ship-source discharges of polluting substances, including minor discharges, if committed with intent, recklessly or with serious negligence and the discharges individually or in the aggregate result in deterioration of the quality of water. Aiding and abetting the discharge of a polluting substance may also lead to criminal penalties. The directive applies to all types of vessels, irrespective of their flag, but certain exceptions apply to warships or where human safety or that of the ship is in danger. Criminal liability for pollution may result in substantial penalties or fines and increased civil liability claims. Regulation (EU) 2015/757 of the European Parliament and of the Council of 29 April 2015 (amending EU Directive 2009/16/EC) governs the monitoring, reporting and verification of carbon dioxide emissions from maritime transport, and, subject to some exclusions, requires companies with ships over 5,000 gross tonnage to monitor and report carbon dioxide emissions annually, which may cause us to incur additional expenses.

The EU has adopted several regulations and directives requiring, among other things, more frequent inspections of high-risk ships, as determined by type, age and flag as well as the number of times the ship has been detained. The EU also adopted and extended a ban on substandard ships and enacted a minimum ban period and a definitive ban for repeated offenses. The regulation also provided the EU with greater authority and control over classification societies, by imposing more requirements on classification societies and providing for fines or penalty payments for organizations that failed to comply. Furthermore, the EU has implemented regulations requiring vessels to use reduced sulfur content fuel for their main and auxiliary engines. The EU Directive 2005/33/EC (amending Directive 1999/32/EC) introduced requirements parallel to those in Annex VI relating to the sulfur content of marine fuels. In addition, the EU imposed a 0.1% maximum sulfur requirement for fuel used by ships at berth in the Baltic, the North Sea and the English Channel (the so called "SOx-Emission Control Area"). As of January 2020, EU member states must also ensure that ships in all EU waters, except the SOx-Emission Control Area, use fuels with a 0.5% maximum sulfur content.

On September 15, 2020, the European Parliament voted to include greenhouse gas emissions from the maritime sector in the European Union's carbon market. On July 14, 2021, the European Parliament formally proposed its plan, which would involve gradually including the maritime sector from 2023 and phasing the sector in over a three-year period. This will require shipowners to buy permits to cover these emissions. Contingent on negotiations and a formal approval vote, these proposed regulations may not enter into force for another year or two.

Chinese Regulations

Our Company complies with the local Chinese regulations and requirements pertaining to the Ship Pollution Response Organization. This requires owners/operators of (a) any ship carrying polluting and hazardous cargoes in bulk or (b) any other vessel above 10,000 gt to enter into a pollution clean-up contract with a Maritime Safety Agency ("MSA") approved Ship Pollution Response Organization before the vessel enters a Chinese port. We have established contractual agreements and are cooperating with our local representatives, to provide us the best in market options at each specific port. This practically applies to all the managed vessel within our fleets and means that we are getting high-quality service on a case by case basis, always obtaining the best price versus quality result that could be procured.

International Labor Organization

The International Labor Organization (the "ILO") is a specialized agency of the UN that has adopted the Maritime Labor Convention 2006 ("MLC 2006"). A Maritime Labor Certificate and a Declaration of Maritime Labor Compliance is required to ensure compliance with the MLC 2006 for all ships that are 500 gross tonnage or over and are either engaged in international voyages or flying the flag of a Member and operating from a port, or between ports, in another country. All of our vessels have been awarded an MLC certificate following the relevant MLC inspection carried out on board and they have been approved for DMLC Part II by the ROs/flag administration in compliance with the requirements set out in the DMLC Part I issued by the respective flag administrations accordingly.

Vessel Security Regulations

Since the terrorist attacks of September 11, 2001 in the United States, there have been a variety of initiatives intended to enhance vessel security such as the U.S. Maritime Transportation Security Act of 2002 ("MTSA"). To implement certain portions of the MTSA, the USCG issued regulations requiring the implementation of certain security requirements aboard vessels operating in waters subject to the jurisdiction of the United States and at certain ports and facilities, some of which are regulated by the EPA.

Similarly, Chapter XI-2 of the SOLAS Convention imposes detailed security obligations on vessels and port authorities and mandates compliance with the International Ship and Port Facility Security Code ("the ISPS Code"). The ISPS Code is designed to enhance the security of ports and ships against terrorism. To trade internationally, a vessel must attain an International Ship Security Certificate ("ISSC") from a recognized security organization approved by the vessel's flag state. Ships operating without a valid certificate may be detained, expelled from or refused entry at port until they obtain an ISSC. The various requirements, some of which are found in the SOLAS Convention, include, for example, on-board installation of automatic identification systems to provide a means for the automatic transmission of safety-related information from among similarly equipped ships and shore stations, including information on a ship's identity, position, course, speed and navigational status; on-board installation of ship security alert systems, which do not sound on the vessel but only alert the authorities on shore; the development of vessel security plans; ship identification number to be permanently marked on a vessel's hull; a continuous synopsis record kept onboard showing a vessel's history including the name of the ship, the state whose flag the ship is entitled to fly, the date on which the ship was registered with that state, the ship's identification number, the port at which the ship is registered and the name of the registered owner(s) and their registered address; and compliance with flag state security certification requirements.

The USCG regulations, intended to align with international maritime security standards, exempt non-U.S. vessels from MTSA vessel security measures, provided such vessels have on board a valid ISSC that attests to the vessel's compliance with the SOLAS Convention security requirements and the ISPS Code.

All of our vessels are already fully compliant with the ISPS code and have the International Ship Security Certificate (ISSC). Each vessel also has its own SSP (Ship Security Plan) which has been reviewed and approved by the RO/flag administration accordingly. In addition to the above, the company has also chosen to comply with BMP5 standard as best management practices and also provides additional security equipment (and armed guards, where required) on board whenever our vessels pass through areas of voluntary reporting or where there is high risk of piracy. Future security measures could also have a significant financial impact on us.

The cost of vessel security measures has also been affected by the escalation in the frequency of acts of piracy against ships, notably off the coast of Somalia, including the Gulf of Aden and Arabian Sea area. Substantial loss of revenue and other costs may be incurred as a result of detention of a vessel or additional security measures, and the risk of uninsured losses could significantly affect our business. Costs are incurred in taking additional security measures in accordance with Best Management Practices to Deter Piracy, notably those contained in the BMP5 industry standard.

Inspection by Flag administration and Classification Societies

The hull and machinery of every commercial vessel must be classed by a classification society authorized by its country of registry. The classification society certifies that a vessel is safe and seaworthy in accordance with the applicable rules and regulations of the country of registry of the vessel and SOLAS. Most insurance underwriters make it a condition for insurance coverage and lending that a vessel be certified “in class” by a classification society which is a member of the International Association of Classification Societies, the IACS. The IACS has adopted harmonized Common Structural Rules, or “the Rules,” which apply to oil tankers and bulk carriers contracted for construction on or after July 1, 2015. The Rules attempt to create a level of consistency between IACS Societies. All of our vessels are certified as being “in class” by all the applicable Classification Societies (e.g., Bureau Veritas, NKK, DNV-GL, American Bureau of Shipping, Lloyd’s Register of Shipping). Their respective Classification certificates have been issued by the vessel’s classification society following the initial survey carried out on board.

A vessel must undergo annual surveys, intermediate surveys, drydockings and special surveys. In lieu of a special survey, a vessel’s machinery may be on a continuous survey cycle, under which the machinery would be surveyed periodically over a five-year period. Every vessel is also required to be drydocked every 30 to 36 months for inspection of the underwater parts of the vessel. If any vessel does not maintain its class and/or fails any annual survey, intermediate survey, drydocking or special survey, the vessel will be unable to carry cargo between ports and will be unemployable and uninsurable which could cause us to be in violation of certain covenants in our loan agreements. Any such inability to carry cargo or be employed, or any such violation of covenants, could have a material adverse impact on our financial condition and results of operations.

Risk of Loss and Liability Insurance

General

The operation of any cargo vessel includes risks such as mechanical failure, physical damage, collision, property loss, cargo loss or damage and business interruption due to political circumstances in foreign countries, piracy incidents, hostilities and labor strikes. In addition, there is always an inherent possibility of marine disaster, including oil spills and other environmental mishaps, and the liabilities arising from owning and operating vessels in international trade. OPA, which imposes virtually unlimited liability upon shipowners, operators and bareboat charterers of any vessel trading in the exclusive economic zone of the United States for certain oil pollution accidents in the United States, has made liability insurance more expensive for shipowners and operators trading in the United States market. We carry insurance coverage as customary in the shipping industry. However, not all risks can be insured, specific claims may be rejected, and we might not be always able to obtain adequate insurance coverage at reasonable rates.

Hull and Machinery Insurance

We procure hull and machinery insurance, protection and indemnity insurance, which includes environmental damage and pollution insurance and war risk insurance and freight, demurrage and defense insurance for our fleet. We generally do not maintain insurance against loss of hire (except for certain charters for which we consider it appropriate), which covers business interruptions that result in the loss of use of a vessel.

Protection and Indemnity Insurance

Protection and indemnity insurance is provided by mutual protection and indemnity associations, or "P&I Associations," and covers our third-party liabilities in connection with our shipping activities. This includes third-party liability and other related expenses of injury or death of crew, passengers and other third parties, loss or damage to cargo, claims arising from collisions with other vessels, damage to other third-party property, pollution arising from oil or other substances and salvage, towing and other related costs, including wreck removal. Protection and indemnity insurance is a form of mutual indemnity insurance, extended by protection and indemnity mutual associations, or "clubs."

Our current protection and indemnity insurance coverage for pollution is $1 billion per vessel per incident. The 13 P&I Associations that comprise the International Group insure approximately 90% of the world's commercial tonnage and have entered into a pooling agreement to reinsure each association's liabilities. The International Group's website states that the Pool provides a mechanism for sharing all claims in excess of US$ 10 million up to, currently, approximately US$ 8.2 billion. As a member of a P&I Association, which is a member of the International Group, we are subject to calls payable to the associations based on our claim records as well as the claim records of all other members of the individual associations and members of the shipping pool of P&I Associations comprising the International Group.

Ensuring compliance with environmental regulations

Other aspects of our environmental compliance include:

- Refrigerant Allowance: We have banned all the types of refrigerants that significantly affect the ozone layer such as R22 in order to reduce the Global Warming Potential (GWP). Additionally, during possible maintenance activities both in our offices and on vessels, we use eco-friendly refrigerants that do not affect the ozone layer such as R407 and R404. In compliance with EU 517/2014 regulation, stipulating restriction to the use of refrigerants exceeding GWP of 2500, we are using eco-friendly refrigerants in 30% of our fleet and we expect that 100% of our fleet will have installed eco-friendly refrigerants within the next 5 years.

- Biodegradable Lubricants: We are using these types of biodegradable lubricants proactively in the majority of our fleet regardless of their destination. Biodegradable lubricants are eco-friendly lubricants which are mandatory for vessels that transport cargo or have the United States as destination ports.

- We had proactively taken immediate steps to comply in 2019 with certain provisions of EU regulation (1257/2013 on Ship recycling) that took effect on December 31, 2020. The regulation refers to vessel recycling activities and the identification and monitoring of hazardous materials, including:

    - Asbestos.

    - PCBs.

    - Ozone depleting substances.

    - PFOS.

    - Anti-fouling systems containing organotin compounds as a biocide.

We are also in the process of replacing Freon onboard. Our entire fleet complies with Hazardous Material regulation.

Dry-BMS (RightShip Standards)

This program is designed to allow ship managers to measure their SMS against agreed industry standards, with the aim of improving fleet performance and risk management. This will ensure that policies align with the industry's best practice to both advance our vessels' performance and attain high standards of health, safety, security and pollution prevention.

The draft guidelines focus on 30 areas of management practice across the four most serious risk areas faced in vessel operations: performance, people, plant and process. This grades the excellence of a company's SMS against measurable expectations and targets without involving the burdens of excessive inspections. This standard is not meant to replace any pre-existing system or rule but rather to enhance their existing application and raise the levels of excellence achieved. The minimum benefits of this venture would a) cover all relevant ship management issues in one document, b) be relevant to the entire dry bulk shipping industry worldwide, c) complement other statutory requirements and industry guidance and d) be frequently evaluated to drive continuous improvement across the management companies on an international level.

C. Organizational structure

As of December 31, 2021, we are the sole owner of all of the outstanding shares of the subsidiaries listed in Note 1 of our consolidated financial statements under "Item 18. Financial Statements."

D. Property, plant and equipment

We do not own any real property. Our interests in the vessels in our fleet are our only material properties. See "Item 4. Information on the Company—B. Business Overview—General."

Item 4A. Unresolved Staff Comments

None.

Item 5. Operating and Financial Review and Prospects

Overview

The following management's discussion and analysis of financial condition and results of operations should be read in conjunction with "Item 4. Business Overview" and our historical consolidated financial statements and accompanying notes included elsewhere in this annual report. This discussion contains forward-looking statements that reflect our current views with respect to future events and financial performance. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors, such as those set forth in "Item 3. Key Information—D. Risk Factors" and elsewhere in this annual report.

We are an international shipping company with extensive operational experience that owns and operates a fleet of dry bulk carrier vessels. Our vessels transport a broad range of major and minor bulk commodities, including ores, coal, grains and fertilizers, along worldwide shipping routes.

A. Operating Results

We deploy our vessels on a mix of short to medium time charters or voyage charters, contracts of affreightment, or in dry bulk carrier pools, according to our assessment of market conditions. We adjust the mix of these charters to take advantage of the relatively stable cash flow and high utilization rates associated with medium to long-term time charters, or to profit from attractive spot charter rates during periods of strong charter market conditions, or to maintain employment flexibility that the spot market offers during periods of weak charter market conditions.

Key Performance Indicators

Our business consists primarily of:

- employment and operation of dry bulk vessels constituting our operating fleet; and
- management of the financial, general and administrative elements involved in the conduct of our business and ownership of dry bulk vessels constituting our operating fleet.

The employment and operation of our vessels 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 pursuant to the requirements of the ISPS Code;
- obtaining ISM Code certification and audits 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:

- charter rates and duration of our charters;
- age, condition and specifications of our vessels
- levels of vessel operating expenses;
- depreciation and amortization expenses;
- fuel costs;
- financing costs; and
- fluctuations in foreign exchange rates.

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

- ***Average number of vessels*** is the number of vessels that constituted our owned fleet for the relevant period, as measured by the sum of the number of days each operating vessel was part of our owned fleet during the period divided by the number of calendar days in that period.
- ***Ownership days*** are the total number of calendar days each vessel in the fleet was owned by us for the relevant period, including vessels subject to sale and leaseback transactions and finance leases.
- ***Available days*** for the fleet are the Ownership days after subtracting off-hire days for major repairs, dry docking or special or intermediate surveys and for vessels’ improvements and upgrades. The available days for the years ended December 31, 2020 and 2021 were also decreased by off-hire days relating to disruptions in connection with crew changes as a result of COVID-19. Our method of computing Available Days may not necessarily be comparable to Available Days of other companies due to differences in methods of calculation.
- ***Charter-in*** **days** are the total days that we charter-in vessels not owned by us.
- ***Time charter equivalent rate***. Represents the weighted average daily TCE rates of our operating fleet (including owned fleet and fleet under charter-in arrangements) (please refer below for its detailed calculation).
- ***Daily operating expenses***: Average daily operating expenses per vessel are calculated by dividing vessel operating expenses by Ownership days.

The table below summarizes our recent financial information. We refer you to the notes to our consolidated financial statements for a discussion of the basis on which our consolidated financial statements are presented. The information provided below should be read in conjunction with “Item 5. Operating and Financial Review and Prospects” and the consolidated financial statements, related notes and other financial information included herein.

The historical results included below and elsewhere in this document are not necessarily indicative of the future performance of Star Bulk.

CONSOLIDATED STATEMENT OF OPERATIONS
(In thousands of U.S. Dollars, except per share and share data)

	2017	2018	2019	2020	2021
Voyage revenues	331,976	651,561	821,365	693,241	1,427,423
Voyage expenses	64,682	121,596	222,962	200,058	226,111
Charter-in hire expenses	5,325	92,896	126,813	32,055	14,565
Vessel operating expenses	101,428	128,872	160,062	178,543	208,661
Dry docking expenses	4,262	8,970	57,444	23,519	30,986
Depreciation	82,623	102,852	124,280	142,293	152,640
Management fees	7,543	11,321	17,500	18,405	19,489
General and administrative expenses	30,955	33,972	34,819	31,881	39,500
Provision for doubtful debts	—	722	1,607	373	629
(Gain)/ Loss on forward freight agreements and bunker swaps, net	841	447	(4,411)	(16,156)	(3,564)
Impairment loss	—	17,784	3,411	—	—
Other operational loss	989	191	110	1,513	2,214
Other operational gain	(2,918)	—	(2,423)	(3,231)	(2,110)
(Gain)/Loss on time charter agreement termination	—	—	—	—	(1,102)
(Gain) / Loss on sale of vessels	(2,598)	—	5,493	—	—
	293,132	519,623	747,667	609,253	688,019
Operating income / (loss)	38,844	131,938	73,698	83,988	739,404
Interest and finance costs	(50,458)	(73,715)	(87,617)	(69,555)	(56,036)
Interest and other income / (loss)	2,997	1,866	1,299	267	315
Gain / (loss) on interest rate swaps, net	246	707	—	—	—
Loss on debt extinguishment	(1,257)	(2,383)	(3,526)	(4,924)	(3,257)
Total other expenses, net	(48,472)	(73,525)	(89,844)	(74,212)	(58,978)
Income/ (Loss) before taxes and equity in income of investee	(9,628)	58,413	(16,146)	9,776	680,426
Income taxes	(236)	(61)	(109)	(152)	(16)
Income / (Loss) before equity in income of investee	(9,864)	58,352	(16,255)	9,624	680,410
Equity in income of investee	93	45	54	36	120
Net income / (loss)	(9,771)	58,397	(16,201)	9,660	680,530
Earnings / (loss) per share, basic	(0.16)	0.76	(0.17)	0.10	6.73
Earnings / (loss) per share, diluted	(0.16)	0.76	(0.17)	0.10	6.71
Weighted average number of shares outstanding, basic	63,034,394	77,061,227	93,735,549	96,128,173	101,183,829
Weighted average number of shares outstanding, diluted	63,034,394	77,326,111	93,735,549	96,281,389	101,479,072

CONSOLIDATED BALANCE SHEET AND OTHER FINANCIAL DATA
(In thousands of U.S. Dollars, except per share data)

	2017	2018	2019	2020	2021
Cash and cash equivalents	257,911	204,921	117,819	183,211	450,285
Current Assets	312,626	298,836	266,042	307,411	682,924
Advances for vessels under construction and acquisition of vessels	48,574	59,900	—	—	—
Vessels and other fixed assets, net	1,775,081	2,656,108	2,965,527	2,877,119	3,013,038
Total assets	2,145,764	3,022,137	3,238,671	3,191,793	3,754,719
Current liabilities (including current portion of long-term bank loans and short-term lease financing)	219,274	222,717	310,931	266,432	290,796
Total long-term bank loans including long term lease financing, excluding current portion, net of unamortized loan and lease issuance costs	789,878	1,226,744	1,330,420	1,321,116	1,334,593

8.00% 2019 Notes and 8.30% 2022 Notes, net of unamortized notes issuance costs	48,000	48,410	48,821	49,232	—
Common shares	642	926	961	971	1,023
Total Shareholders' equity	1,088,052	1,520,045	1,544,040	1,549,527	2,080,018
Total liabilities and shareholders' equity	2,145,764	3,022,137	3,238,671	3,191,793	3,754,719
OTHER FINANCIAL DATA					
Dividends declared (nil, nil, $0.05, $0.05 and $2.25)	—	—	4,804	4,804	230,473
Net cash provided by/(used in) operating activities	82,804	169,009	88,525	170,552	767,071
Net cash provided by/(used in) investing activities	(127,101)	(325,327)	(279,837)	(66,334)	(121,263)
Net cash provided by/(used in) financing activities	122,035	96,695	103,697	(34,949)	(368,068)
FLEET DATA					
Average number of vessels	69.6	87.7	112.1	116.0	125.4
Total ownership days for fleet	25,387	32,001	40,915	42,456	45,759
Total available days for fleet	25,272	31,614	36,403	40,274	44,059
Charter-in days for fleet	428	5,089	6,843	1,414	571
AVERAGE DAILY RESULTS (In U.S. Dollars)					
Time charter equivalent	10,366	13,796	13,027	11,789	26,978
Vessel operating expenses	3,995	4,027	3,912	4,205	4,560

Time Charter Equivalent Rate (TCE rate)

Time charter equivalent rate (the "TCE rate") represents the weighted average daily TCE rates of our operating fleet (including owned fleet and fleet under charter-in arrangements). TCE rate is a measure of the average daily net revenue performance of our vessels. Our method of calculating TCE rate is determined by dividing voyage revenues (net of voyage expenses, charter-in hire expense, amortization of fair value of above/below-market acquired time charter agreements and provision for onerous contracts, if any, as well as adjusted for the impact of realized gain/(loss) on forward freight agreements ("FFAs") and bunker swaps) by Available days for the relevant time period. Available days do not include the Charter-in days as per the relevant definitions provided above. Voyage expenses primarily consist of port, canal and fuel costs that are unique to a particular voyage, which would otherwise be paid by the charterer under a time charter contract, as well as commissions. TCE rate is a standard shipping industry performance measure used primarily to compare period-to-period changes in a shipping company's performance despite changes in the mix of charter types (i.e., voyage charters, time charters, bareboat charters and pool arrangements) under which its vessels may be employed between the periods. Our method of computing TCE rate may not necessarily be comparable to TCE rates of other companies due to differences in methods of calculation. The above reported TCE rates for the year ended December 31, 2017 were calculated excluding Star Logistics. We have excluded the revenues and expenses of Star Logistics because it was formed in October 2017, and its revenues and expenses had not yet normalized in that period, which obscure material trends of our TCE rates. As a result, we believe it is more informative to our investors to present the TCE rates excluding the revenues and expenses of Star Logistics for that period (December 31, 2017). The revenues and expenses of Star Logistics normalized in the years ended December 31, 2018 and 2019 and are included for purposes of calculating the TCE rate. In 2020, we terminated our Geneva-based commercial activities and have established a new wholly-owned subsidiary based in Singapore under the name Star Bulk (Singapore) Pte. Ltd. (or "Star Bulk Singapore"), aiming to expand our commercial capability and access to charterers and cargoes in Asia. We include TCE rate, a non-GAAP measure, as it provides additional meaningful information in conjunction with voyage revenues, the most directly comparable GAAP measure, and it assists our management in making decisions regarding the deployment and use of our operating vessels and assists investors and our management in evaluating our financial performance.

The following table reflects the calculation and reconciliation of TCE rate to voyage revenues as reflected in the consolidated statement of operations:

(In thousands of U.S. Dollars, except for TCE rates)	**Year ended December 31, 2019**	**Year ended December 31, 2020**	**Year ended December 31, 2021**
Voyage revenues	$ 821,365	$ 693,241	$1,427,423
Less:			
Voyage expenses	(222,962)	(200,058)	(226,111)
Charter-in hire expenses	(126,813)	(32,055)	(14,565)
Realized gain/(loss) on FFAs/bunker swaps	4,657	14,861	2,056
Amortization of fair value of below/above market acquired time charter agreements	(2,013)	(1,184)	(187)
Time charter equivalent revenues	**$ 474,234**	**$ 474,805**	**$ 1,188,616**
Available days	36,403	40,274	44,059
Daily Time Charter Equivalent Rate ("TCE")	**$ 13,027**	**$ 11,789**	**$ 26,978**

Voyage Revenues

Voyage revenues are driven primarily by the number of vessels in our operating fleet, the duration of our charters, the number of charter in days, the amount of daily charter hire or freight rates that our vessels earn under time and voyage charters, respectively, which, in turn, are affected by a number of factors, including our decisions relating to vessel acquisitions and disposals, the number of vessels chartered-in, the amount of time that we spend positioning our vessels, the amount of time that our vessels spend in dry dock undergoing repairs, maintenance and upgrade work, the age, condition and specifications of our vessels, levels of supply and demand in the seaborne transportation market.

Vessels operating on time charters for a certain period of time provide more predictable cash flows over that period of time but can yield lower profit margins than vessels operating in the spot charter market during periods characterized by favorable market conditions. Vessels operating in the spot charter market generate revenues that are less predictable, but may enable us to capture increased profit margins during periods of improvements in charter rates, although we would be exposed to the risk of declining vessel rates, which may have a materially adverse impact on our financial performance. If we employ vessels on period time charters, future spot market rates may be higher or lower than the rates at which we have employed our vessels on period time charters.

Voyage Expenses

Voyage expenses may include port and canal charges, agency fees, fuel (bunker) expenses and brokerage commissions payable to related and third parties. Voyage expenses are incurred for our owned and chartered-in vessels during voyage charters or when the vessel is unemployed. Bunker expenses, port and canal charges primarily increase in periods during which vessel are employed on voyage charters because these expenses are paid by the owners. Our voyage expenses primarily consist of bunkers cost, port expenses and commissions paid in connection with the chartering of our vessels.

Charter-in hire expenses

Charter-in hire expenses represent hire expenses for chartering-in third- and related- party vessels, either under time charters or voyage charters.

Vessel Operating Expenses

Vessel operating expenses include crew wages and related costs, the cost of insurance and vessel registry, expenses relating to repairs and maintenance, the cost of spares and consumable stores, tonnage taxes, regulatory fees, vessel scrubbers and BWTS maintenance expenses, lubricants and other miscellaneous expenses. Other factors beyond our control, some of which may affect the shipping industry in general, including for instance developments relating to market prices for crew wages, lubricants and insurance, may also cause these expenses to increase.

Dry Docking Expenses

Dry docking expenses relate to regularly scheduled intermediate survey or special survey dry docking necessary to preserve the quality of our vessels as well as to comply with international shipping standards and environmental laws and regulations. Dry docking expenses can vary according to the age of the vessel and its condition, the location where the dry docking takes place, shipyard availability and the number of days the vessel is under dry dock. We utilize the direct expense method, under which we expense all dry-docking costs as incurred.

Depreciation

We depreciate our vessels on a straight-line basis over their estimated useful lives, which is determined to be 25 years from the date of their initial delivery from the shipyard. Depreciation is calculated based on a vessel's cost less the estimated residual value.

General and Administrative Expenses

We incur general and administrative expenses, including our onshore personnel related expenses, directors' and executives' compensation, share based compensation, legal, consulting, audit and accounting expenses.

Management Fees

Management fees include fees paid to third parties as well as related parties providing certain procurement services to our fleet.

Interest and Finance Costs

We incur interest expense and financing costs in connection with our outstanding indebtedness under our existing loan facilities (including sale and leaseback financing transactions). We also incur financing costs in connection with establishing those facilities, which are presented as a direct deduction from the carrying amount of the relevant debt liability and amortize them to interest and financing costs over the term of the underlying obligation using the effective interest method.

Gain/(loss) on interest rate swaps, net

We enter into interest rate swap transactions to manage interest costs and risk associated with changing interest rates with respect to our variable interest loans and credit facilities. Interest rate swaps are recorded in the balance sheet as either assets or liabilities, measured at their fair value (Level 2) with changes in such fair value recognized in earnings under (gain)/loss on interest rate swaps, net, unless specific hedge accounting criteria are met. When interest rate swaps are designated and qualify as cash flow hedges, the effective portion of the unrealized gains/losses from those swaps is recorded in Other Comprehensive Income / (Loss) while any ineffective portion is recorded as Gain/(loss) on interest rate swaps, net.

Gain/(Loss) on Forward Freight Agreements and Bunker Swaps, net

When deemed appropriate from a risk management perspective, we take positions in freight derivatives, including freight forward agreements (the "FFAs") and freight options with an objective to utilize those instruments as economic hedges that are highly effective in reducing the risk on specific vessels trading in the spot market and to take advantage of short term fluctuations in the market prices. Upon the 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 the settlement sum, being an amount equal to the difference between the contracted rate and the settlement rate, multiplied by the number of days in the specified period covered by the FFA. Conversely, if the contracted rate is greater than the settlement rate, the buyer is required to pay the seller the settlement sum. Our FFAs are settled on a daily basis mainly through reputable exchanges such as London Clearing House (LCH) or Singapore Exchange (SGX) so as to limit our exposure in over the counter transactions. Customary requirements for trading in FFAs include the maintenance of initial and variation margins based on expected volatility, open position and mark to market of the contracts. Freight options are treated as assets/liabilities until they are settled. Any such settlements by us or settlements to us under FFAs are recorded under (Gain)/Loss on forward freight agreements and bunker swaps, net.

Also, when deemed appropriate from a risk management perspective, we enter into bunker swap contracts to manage our exposure to fluctuations of bunker prices associated with the consumption of bunkers by our vessels. Bunker swaps are agreements between two parties to exchange cash flows at a fixed price on bunkers, where volume, time period and price are agreed in advance. Our bunker swaps are settled through reputable clearing houses. Bunker price differentials paid or received under the swap agreements are recognized under (Gain)/Loss on forward freight agreements and bunker swaps, net.

The fair value of freight derivatives and bunker swaps is determined through Level 1 inputs of the fair value hierarchy (quoted prices from the applicable exchanges such as the London Clearing House (LCH) or the Singapore Exchange (SGX)). Our FFAs and bunker swaps do not qualify for hedge accounting and therefore unrealized gains or losses are recognized under (Gain)/Loss on forward freight agreements and bunker swaps, net.

Interest Income

We earn interest income on our cash deposits with our lenders and other financial institutions.

Foreign Exchange Fluctuations

Please see "Item 11. Quantitative and Qualitative Disclosures about Market Risk."

Year ended December 31, 2021 compared to the year ended December 31, 2020

Voyage revenues net of Voyage expenses: Voyage revenues for the year ended December 31, 2021 increased to $1,427.4 million from $693.2 million for the year ended December 31, 2020 primarily as a result of the strong market conditions in charter rates prevailing during the year of 2021. In particular, the strong global growth and increased infrastructure spending has led to a healthy rise in demand for commodities which combined with a historically low orderbook and port delays and congestion created favorable dynamics for our industry. As a result, the TCE rate for the year ended December 31, 2021 was $26,978 compared to $11,789 for the year ended December 31, 2020.

Charter-in hire expenses: Charter-in hire expenses for the years ended December 31, 2021 and 2020 were $14.6 million and $32.1 million, respectively. The decrease is due to the significant reduction in charter-in days which totaled 571 in the year ended December 31, 2021 compared to 1,414 in the same period in 2020.

Operating expenses: For the years ended December 31, 2021 and 2020, vessel operating expenses were $208.7 million and $178.5 million, respectively. This increase was primarily due to the increase in the average number of vessels to 125.4 from 116.0 and to additional crew expenses incurred related to the increased number and cost of crew changes performed, as a result of COVID-19 restrictions imposed since the beginning of 2020, estimated to be $8.4 million in 2021 compared to $3.5 million in 2020. In addition, vessel operating expenses for the year ended December 31, 2021 also included maintenance expenses for vessel scrubbers and BWTS of $4.2 million compared to $3.4 million in 2020. Lastly, vessel operating expenses for the year ended December 31, 2021 included $3.1 million pre-delivery and pre-joining expenses incurred in connection with the latest delivered vessels compared to nil in 2020.

Dry docking expenses: Dry docking expenses for the year ended December 31, 2021, were $31.0 million corresponding to 30 of our vessels that underwent their periodic dry docking surveys. Dry docking expenses for the year ended December 31, 2020 were $23.5 million corresponding to 26 of our vessels that underwent their periodic dry docking surveys.

Depreciation: For the years ended December 31, 2021 and 2020, depreciation expense increased to $152.6 million from $142.3 million due to the increase in the average number of vessels.

General and administrative expenses and Management fees: General and administrative expenses for the years ended December 31, 2021 and 2020 were $39.5 million and $31.9 million, respectively. The increase is mainly attributable to the increase in the share-based compensation expense to $10.3 million from $4.6 million. Management fees for the years ended December 31, 2021 and 2020 were $19.5 million and $18.4 million, respectively.

(Gain)/Loss on forward freight agreements and bunker swaps, net: For the year ended December 31, 2021, we incurred a net gain on forward freight agreements and bunker swaps of $3.6 million, consisting of unrealized gain of $1.5 million and realized gain of $2.1 million. For the year ended December 31, 2020, we incurred a net gain on forward freight agreements and bunker swaps of $16.2 million, consisting of unrealized gain of $1.3 million and realized gain of $14.9 million.

Interest and finance costs net of interest and other income/ (loss): Interest and finance costs net of interest and other income/(loss) for the years ended December 31, 2021 and 2020 were $55.7 million and $69.3 million, respectively. This decrease is primarily attributable to the decline in the average interest rate on our outstanding indebtedness, mainly driven by the refinancing of certain of our debt agreements and the redemption of our outstanding 8.30% Senior Notes in July 2021, which also result in lower weighted average outstanding debt balance during the corresponding periods, the interest rate swap agreements that we entered into in 2020 and 2021 and the lower LIBOR rates that prevailed during 2021 compared to 2020.

Loss on debt extinguishment: For the year ended December 31, 2021, loss on debt extinguishment was $3.3 million which primarily consists of $3.6 million written off unamortized debt issuance costs following the refinancing agreements entered into during the year. For the year ended December 31, 2020, loss on debt extinguishment was $4.9 million and comprised of: (a) $3.7 million in connection with the write-off of unamortized debt issuance costs following the refinancing agreements entered into during the year and (b) $1.2 million in connection with prepayment fees for facilities refinanced or repaid as a result of the sale of mortgaged vessels.

Year ended December 31, 2020 compared to the year ended December 31, 2019

For a discussion of the year ended December 31, 2020 compared to the year ended December 31, 2019, please refer to "Item 5. Operating and Financial Review and Prospects" in our Annual Report on Form 20-F, as amended, for the year ended December 31, 2020, or our "2020 20-F".

Recent Accounting Pronouncements

For recent accounting pronouncements see Note 2 to our consolidated financial statements.

B. Liquidity and Capital Resources

Our principal sources of funds have been cash flow from operations, equity offerings, borrowings under secured credit facilities, debt securities or bareboat lease financings and proceeds from vessel sales. Our principal uses of funds have been capital expenditures to establish, grow our fleet, maintain the quality of our dry bulk carriers and comply with international shipping standards, environmental laws and regulations, fund working capital requirements, make principal and interest payments on outstanding indebtedness and to make dividend payments when approved by the Board of Directors.

Our short-term liquidity requirements include paying operating costs, funding working capital requirements and the short-term equity portion of the cost of vessel acquisitions and vessel upgrades, interest and principal payments on outstanding indebtedness and maintaining cash reserves to strengthen our position against adverse fluctuations in operating cash flows. Our primary source of short-term liquidity is cash generated from operating activities, available cash balances and portions from new debt and refinancings as well as equity financings.

Our medium- and long-term liquidity requirements are funding the equity portion of our newbuilding vessel installments and secondhand vessel acquisitions, if any, funding required payments under our vessel financing and other financing agreements and paying cash dividends when declared. Sources of funding for our medium- and long-term liquidity requirements include cash flows from operations, new debt and refinancings or bareboat lease financing, sale and lease back arrangements, equity issuances and vessel sales. Please also refer to Note 14 to our audited consolidated financial statements included in this annual report for further discussion on our commitments as of December 31, 2021.

As of February 16, 2022, we had total cash of $593.7 million and $1,532.5 million of outstanding borrowings (including bareboat lease financing). In addition, following a number of interest rates swaps that we entered into during the years ended December 31, 2020 and 2021, we have converted a total of $841.4 million of such debt from floating to an average fixed rate of 45 bps with average maturity of 2.1 years. We believe that our current cash balance, and our operating cash flows to be generated over the short-term period will be sufficient to meet our 2022 liquidity needs and at least through the end of the first quarter of 2023, including funding the operations of our fleet, capital expenditure requirements and any other present financial requirements. However, we may seek additional indebtedness to finance future vessel acquisitions in order to maintain our cash position or to refinance our existing debt in more favorable terms. Our practice has been to fund the cash portion of the acquisition of dry bulk carriers using a combination of funds from operations and bank debt or lease financing secured by mortgages or title of ownership on our dry bulk carriers held by the relevant lenders, respectively. Our business is capital-intensive and its future success will depend on our ability to maintain a high-quality fleet through the acquisition of newer dry bulk carriers and the selective sale of older dry bulk carriers. These acquisitions will be principally subject to management’s expectation of future market conditions as well as our ability to acquire dry bulk carriers on favorable terms. However our ability to obtain bank or lease financing, to refinance our existing debt or to access the capital markets for offerings in the future, may be limited by our financial condition at the time of any such financing or offering, including 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 and equity markets and contingencies and uncertainties, that are beyond our control.

On March 11, 2020, the World Health Organization declared the Covid-19 outbreak a pandemic. In response to the outbreak, many countries, ports and organizations, including those where we conduct a large part of our operations, have implemented measures to combat the outbreak, such as quarantines and travel restrictions. These measures have resulted in a significant reduction in global economic activity and extreme volatility in the global financial markets. There continues to be a high level of uncertainty relating to how the pandemic will evolve, including the new Omicron variant of COVID-19, which appears to be the most transmissible variant to date, the availability of vaccines and their global deployment, the development of effective treatments, the imposition of effective public safety and other protective measures and the public's and government's responses to such measures. At present, it is not possible to ascertain any future impact of COVID-19 on the Company’s operational and financial performance, which may take some time to materialize and may not be fully reflected in the Company’s results for 2020 and 2021. The recent reopening of the global economy and consequent increased demand across all key dry bulk commodities has positively affected our revenues. On the other hand, as a result of COVID-19 restrictions imposed since 2020, additional crew expenses were incurred. However, an increase in the severity or duration or a resurgence of the Covid-19 pandemic and any significant disruption of wide-scale vaccine distribution could have a material adverse effect on the Company’s business, results of operations, cash flows, financial condition, the carrying value of the Company’s assets, the fair values of the Company’s vessels, and the Company’s ability to pay dividends.

Cash Flows

Cash and cash equivalents as of December 31, 2021 were $450.3 million, compared to $183.2 million as of December 31, 2020. We define working capital as current assets minus current liabilities, including the current portion of long-term bank loans and lease financing. Our working capital surplus as of December 31, 2021 and 2020 was $392.1 million and $41.0 million, respectively. The increase in working capital surplus is primarily attributable to the significantly improved market conditions.

As of December 31, 2021 and 2020, we were required to maintain minimum liquidity, not legally restricted, of $64.0 million and $58.0 million, respectively, which is included within "Cash and cash equivalents" in the 2021 and 2020 balance sheets, respectively. In addition, as of December 31, 2021 and 2020, we were required to maintain minimum liquidity, legally restricted, of $23.0 million and of $12.3 million, respectively, which is included within "Restricted cash" in the 2021 and 2020 balance sheets, respectively.

Year ended December 31, 2021 compared to the year ended December 31, 2020

Net Cash Provided By / (Used In) Operating Activities

Net cash provided by operating activities for the twelve months ended December 31, 2021 and 2020 was $767.1 million and $170.6 million, respectively. The increase is primarily attributable to the increase in our operating income (excluding non-cash items) following the significantly improved market conditions that prevailed in 2021 compared to 2020 and the lower net interest expense following the refinancing of certain of our debt agreements, the interest rate swap agreements that we entered into during 2020 and 2021 and the lower LIBOR rates during the year ended December 31, 2021 compared to the same period in 2020.

Net Cash Provided By / (Used In) Investing Activities

Net cash used in investing activities for the year ended December 31, 2021 and 2020 was $121.3 million and $66.3 million, respectively. The increase was primarily attributable to cash paid in 2021 in connection with the acquisition of vessels as opposed to no vessel acquisitions in 2020, which increase was partly offset by lower capital expenditures for BWTS and scrubbers paid in 2021 compared to relevant payments in 2020.

Net Cash Provided By / (Used In) Financing Activities

Net cash used in financing activities for the year ended December 31, 2021 was $368.1 million and net cash provided by financing activities was $34.9 million for the year ended December 31, 2020. The increase was primarily driven by higher debt repayments and prepayments compared to debt proceeds in 2021 as compared to 2020 as well as the higher dividend payments made in 2021 compared to the corresponding period in 2020.

Year ended December 31, 2020 compared to the year ended December 31, 2019

For a discussion of the year ended December 31, 2020 compared to the year ended December 31, 2019, please refer to "Item 5. Operating and Financial Review and Prospects" in our 2020 20-F.

Senior Secured Credit Facilities

1. NBG $30.0 million Facility

On April 19, 2018, we entered into a loan agreement with the National Bank of Greece (the "NBG $30.0 million Facility") for the refinancing of the then existing agreement with Commerzbank AG (the "Commerzbank $120.0 million Facility"). On May 3, 2018, we drew $30.0 million under the NBG $30.0 million Facility, which we used along with cash on hand to fully repay the $34.7 million outstanding under the Commerzbank $120.0 million Facility. The NBG $30.0 million Facility was set to mature in February 2023. During 2019, we prepaid $16.3 million in connection with the sale of four vessels under the NBG $30.0 million Facility and the quarterly installments were amended to $0.4 million and the final balloon payment, which is payable together with the last installment, was amended to $4.5 million. In 2021 we fully repaid this facility through own funds. Prior to its repayment the NBG $30.0 million Facility was secured by a first priority mortgage on the vessels *Star Theta* and *Star Iris*.

2. Credit Agricole $43.0 million Facility

On August 21, 2018, we entered into a loan agreement with Credit Agricole Corporate and Investment Bank (the “Credit Agricole $43.0 million Facility”) for a loan of $43.0 million to refinance the outstanding amount of $44.1 million under the then existing agreement with Credit Agricole Corporate and Investment Bank (the “Credit Agricole $70.0 million Facility). The facility was secured by the vessels *Star Borealis* and *Star Polaris.* The Credit Agricole $43.0 million Facility was drawn on August 23, 2018 in two equal tranches, each being repayable in 20 equal quarterly installments of $0.6 million and a balloon payment of $9.0 million payable together with the last installment. The Credit Agricole $43.0 million Facility was refinanced in 2021 using part of the funds received under the DNB $107.5 million Facility, as described below. Prior to its repayment the loan was secured by a first priority mortgage on the two aforementioned vessels.

3. HSBC $80.0 million Facility

On September 26, 2018, we entered into a loan agreement with HSBC Bank plc for a loan of $80.0 million (the “HSBC $80.0 million Facility”) to refinance the aggregate outstanding amount of $74.7 million under the then existing agreement with HSH Nordbank (the “HSH Nordbank $64.5 million Facility”) and with HSBC Bank plc (the “HSBC $86.6 million Facility”). The amount of $80.0 million was drawn on September 28, 2018. During 2019, an amount of $7.5 million was prepaid in connection with the sale of two vessels under the HSBC $80.0 million Facility and the quarterly installments were amended to $2.1 million and the final balloon payment, which is payable together with the last installment in August 2023, was amended to $29.1 million. As of December 31, 2021, the facility is secured by the vessels Kymopolia, Mercurial Virgo, Pendulum, Amami, Madredeus, Star Emily, Star Omicron, and Star Zeta.

4. DNB $310.0 million Facility

On September 27, 2018, we entered into a loan agreement with DNB Bank ASA (the “DNB $310.0 million Facility”) for a loan of $310.0 million, a tranche of $240.0 million of which refinanced all amounts outstanding under a (i) ABN AMRO (the “ABN $87.5 million Facility”), (ii) DNB, SEB and CEXIM (the “DNB-SEB-CEXIM $227.5 million Facility”), (iii) DNB (the “DNB $120.0 million Facility”), (iv) Deutsche Bank AG (the “Deutsche Bank AG $39.0 million Facility”) and (v) ABN AMRO Bank N.V. (the “ABN AMRO Bank N.V $30.8 million Facility”). The $240.0 million tranche was drawn down on September 28, 2018. During 2019 and 2020, an aggregate amount of $51.2 million and $18.8 million, respectively, was drawn from the second tranche of $70.0 million, which was used to finance the acquisition and installation of scrubber equipment for the mortgaged vessels under the DNB $310.0 million Facility. The DNB $310.0 million Facility was set to mature in September 2023. During 2020, an amount of $131.1 million, in aggregate, from both tranches, was prepaid, in connection with the refinancing of the vessels *Star Sirius, Star Vega, Gargantua, Goliath, Maharaj, Diva, Star Charis, Star Suzanna* and *Star Gina 2GR* with proceeds received from the sale and lease back transactions with China Merchants Bank Leasing or (“CMBL”) and ICBC Financial Leasing Co., Ltd. and from the CEXIM $57.6 million Facility, as further described below. The quarterly installments of the first tranche were amended to $4.0 million and the final balloon payment, which is payable together with the last installment, was amended to $30.2 million. The quarterly installments of the second tranche were amended to $1.8 million, and the final balloon payment, which is payable together with the last installment, was amended to $10.7 million. The DNB $310.0 million Facility was repaid in 2021 in connection with a drawdown of $125.0 million under the NBG $125.0 million Facility, as described below. Prior to its repayment, the DNB $310,000 Facility was secured by a first priority mortgage on the vessels *Big Bang, Strange Attractor, Big Fish, Pantagruel, Star Nasia, Star Danai, Star Renee, Star Markella, Star Laura, Star Moira, Star Jennifer, Star Mariella, Star Helena, Star Maria, Star Triumph, Star Angelina* and *Star Gwyneth*.

5. Citibank $130.0 million Facility

On October 18, 2018, we entered into a loan agreement with Citibank N.A., London Branch (the “Citi $130.0 million Facility”) for a loan of approximately $130.0 million to refinance in full the approximately $100.1 million outstanding under the then existing facility with Citibank, N.A., London Branch (“Citi Facility) and the existing indebtedness of five of the Augustea Vessels. The amount under Citi $130.0 million Facility was available in two equal tranches of $65.0 million, which were drawn on October 23, 2018 and November 5, 2018. Each tranche is repayable in 20 equal quarterly installments of $1.83 million, commencing in January 2019, and a balloon payment along with the last installment in an amount of $28.5 million. The Citi $130.0 million Facility was repaid in 2021 in connection with a drawdown of $97.1 million under the ABN AMRO $97.1 million Facility, as described below. Prior to its repayment the facility was secured by a first priority mortgage on the vessels *Star Pauline*, *Star Angie*, *Star Sophia*, *Star Georgia*, *Star Kamila* and *Star Nina* and five of the Augustea Vessels, *Star Eva*, *Star Paola*, *Star Aphrodite*, *Star Lydia* and *Star Nicole*.

6. ABN $115.0 million Facility

On December 17, 2018, we entered into a loan agreement with ABN AMRO BANK (the "ABN $115.0 million Facility"), for an amount of up to $115.0 million available in four tranches. The first and the second tranche of $69.5 million and $7.9 million, respectively, were drawn on December 20, 2018. The first tranche was used to refinance the then existing indebtedness of the vessels *Star Virginia, Star Scarlett, Star Jeannette* and *Star Audrey* and the second tranche was used to partially finance the acquisition cost of the *Star Bright*. The first and the second tranche are repayable in 20 equal quarterly installments of $1.7 million and $0.3 million respectively, and balloon payments are due in December 2023 along with the last installment in an amount of $35.4 million and $2.3 million, respectively. The remaining two tranches of $17.9 million each were drawn in January 2019 and were used to partially finance the acquisition cost of the *Star Marianne* and *Star Janni*. Each of the third and the fourth tranche is repayable in 19 equal quarterly installments of $0.7 million and balloon payment due in December 2023 along with the last installment in an amount of $5.1 million. The loan is secured by a first priority mortgage on the aforementioned vessels.

7. BNP Facility

BNP Paribas provided term loan financing in two tranches, for the vessels Star Despoina and *Star Piera* (the "BNP Facility"). On August 3, 2018, the date of the acquisition of the Augustea Vessels, the outstanding amount of the first and the second tranche was $15.9 million and $15.0 million, respectively. The outstanding balance of the first tranche is repayable in 16 remaining quarterly installments, the first 15 of which are in an amount of $0.5 million and the sixteenth is in an amount of $8.4 million. The outstanding balance of the second tranche is repayable in 17 remaining quarterly installments, the first 16 of which are in an amount of $0.5 million and the seventeenth is in an amount of $7.0 million. The BNP Facility was refinanced in 2021, using part of the funds received under the Credit Agricole $62.0 million Facility, as described below. Prior to its repayment the loan was secured by a first priority mortgage on the two Augustea Vessels.

8. Bank of Tokyo Facility

Bank of Tokyo provided term loan financing for the vessel *Star Monica* (the "Bank of Tokyo Facility"). On August 3, 2018, the date of the acquisition of the Augustea Vessels, the outstanding amount of the Bank of Tokyo Facility was $16.0 million and is repayable in 17 remaining quarterly installments the first sixteen of which are in the amount of $0.3 million and the seventeenth is in an amount of $10.5 million. The Bank of Tokyo Facility was refinanced in 2021 using part of the funds received under the DNB $107.5 million Facility, as described below. Prior to its repayment the loan was secured by a first priority mortgage on *Star Monica*.

9. SEB Facility

On January 28, 2019, we entered into a loan agreement with Skandinaviska Enskilda Banken AB (SEB), the "SEB Facility," for the financing of an amount up to $71.4 million. The facility is available in four tranches. The first two tranches of $32.8 million each, were drawn on January 30, 2019 and used together with cash on hand to refinance the outstanding amounts under the then existing lease agreements of the vessels *Star Laetitia* and the *Star Sienna*. Each tranche matures six years after the drawdown date and is repayable in 24 consecutive, quarterly principal payments of $0.7 million for each of the first 10 quarters and of $0.5 million for each of the remaining 14 quarters, and a balloon payment of $18.7 million payable simultaneously with the last quarterly installment, which is due in January 2025.The remaining two tranches of approximately $1.3 million each, were drawn in September 2019 and March 2020, respectively and were used to finance the acquisition and installation of scrubber equipment for the respective vessels. Both tranches are repayable in 12 equal consecutive quarterly installments. The SEB Facility is secured by a first priority mortgage on the two vessels.

10. E. SUN Facility

On January 31, 2019, we entered into a loan agreement with E. SUN Commercial Bank, Hong Kong branch, the (“E.SUN Facility”), for the financing of an amount of up to $37.1 million which was used to refinance the outstanding amount under the then existing lease agreement of the vessel *Star Ariadne*. On March 1, 2019, we drew the amount of $37.1 million, which is repayable in 20 consecutive, quarterly principal payments of $0.6 million plus a balloon payment of $24.7 million payable simultaneously with the last quarterly installment, which is due in March 2024. The E.SUN Facility is secured by a first priority mortgage on the vessel *Star Ariadne*.

11. Atradius Facility

On February 28, 2019, we entered into a loan agreement with ABN AMRO Bank N.V. (the “Atradius Facility”) for the financing of an amount of up to $36.6 million which was be used to finance the acquisition and installation of scrubber equipment for 42 vessels. The financing is credit insured (85%) by Atradius Dutch State Business N.V. of the Netherlands (the “Atradius”). During 2019, three tranches of $33.3 million, in aggregate, were drawn and the last tranche of $3.3 million was drawn in January 2020. In September 2021, we prepaid an amount of $2.0 million, in connection with the vessels *Star Despoina* and *Star Piera* and the remaining six semi-annual installments were amended to $3.3 million, with the last installment due in June 2024.As of December 31, 2021 the Atradius Facility was secured by a second-priority mortgage on 20 vessels of our fleet.

12. Citibank $62.6 million Facility

On May 8, 2019, we entered into a loan agreement with Citibank N.A., London Branch (the “Citibank $62.6 million Facility”). In May 2019, an amount of $62.6 million was drawn, which was used, together with cash on hand, to refinance the outstanding amounts under the then existing lease agreements of the vessels *Star Virgo* and *Star Marisa*. The facility is repayable in 20 quarterly principal payments of $1.3 million and a balloon payment of $36.6 million payable simultaneously with the last quarterly installment, which is due in May 2024. The Citibank $62.6 million Facility is secured by a first priority mortgage on the aforementioned vessels.

13. CTBC Facility

On May 24, 2019, we entered into a loan agreement with CTBC Bank Co., Ltd, (the “CTBC Facility”), for an amount of $35.0 million, which was used to refinance the outstanding amount under the then existing lease agreement of *Star Karlie*. The facility is repayable in 20 quarterly principal payments of $0.7 million and a balloon payment of $20.4 million payable simultaneously with the last quarterly installment, which is due in May 2024. The CTBC Facility is secured by first priority mortgage on the aforementioned vessel.

14. NTT Facility

On July 31, 2019, we entered into a loan agreement with a wholly owned subsidiary of NTT Finance Corporation (the “NTT Facility”), for an amount of $17.5 million. The amount was drawn in August 2019 and was used to refinance the outstanding loan amount of $11.2 million of the vessel *Star Aquarius* under the then existing facility with NIBC (the “NIBC $32.0 million Facility”). The facility is repayable in 27 quarterly principal payments of $0.3 million and a balloon payment of $9.1 million, which is due in August 2026. The NTT Facility is secured by first priority mortgage on the vessel *Star Aquarius*.

15. CEXIM $106.5 million Facility

On September 23, 2019, we entered into a loan agreement with China Export-Import Bank (the “CEXIM $106.5 million Facility”) for an amount of $106.5 million, which was used to refinance the outstanding amounts under the then existing lease agreements of the vessels *Katie K*, *Debbie H* and *Star Ayesha.* The facility is available in three tranches of $35.5 million each, which were drawn in November 2019 and are repayable in 40 equal consecutive quarterly installments of $0.7 million and a balloon payment of $5.9 million payable together with the last installment. The CEXIM $106.5 million Facility is secured by first priority mortgages on the three aforementioned vessels.

16. HSBC Working Capital Facility

On February 6, 2020, we entered into a loan agreement with HSBC France for a revolving facility of an amount up to $30.0 million (the "HSBC Working Capital Facility"), in order to finance working capital requirements. The agreement is secured by second priority mortgage on the eight vessels which secure the HSBC $80.0 million Facility. We are required to repay any amounts drawn under this facility within three months from their drawdown date. As of December 31, 2021, the whole amount was available to us under this facility. The facility is subject to annual renewals from the lender with the last being effective until February 2022 and no further renewal was made.

17. DSF $55.0 million Facility

On March 26, 2020, we entered into a loan agreement with Danish Ship Finance A/S (the "DSF $55.0 million Facility") for an amount of up to $55.0 million. The facility was available in two tranches of $27.5 million each, both of which were drawn on March 30, 2020 and used to refinance the outstanding amounts under the lease agreements of the vessels *Star Eleni* and *Star Leo*. Each tranche is repayable in 10 equal consecutive, semi-annual principal payments of $1.1 million and a balloon payment of $16.9 million payable simultaneously with the last installment, which is due in April 2025. The DSF $55.0 million Facility is secured by a first priority mortgage on the two vessels. In addition, in April 2020, the Company elected to exercise its option under the DSF $55.0 million Facility to convert the floating part of the interest rate linked to US LIBOR, to a fixed rate of 0.581% per annum for a period of three years starting from July 1, 2020.

18. ING $170.6 million Facility

On July 1, 2020, we entered into an amended and restated facility agreement with ING the "ING 170.6 million Facility", in order to increase the financing by $70.0 million and to include additional borrowers under the existing ING $100.6 million Facility described below. The additional financing amount of $70.0 million was available in six tranches, all of which were drawn on July 6, 2020, and used to refinance all outstanding amounts under the lease agreements with CMBL of the vessels *Star Claudine*, *Star Ophelia*, *Star Lyra*, *Star Bianca*, *Star Flame* and *Star Mona*. Each tranche is repayable in 24 equal consecutive quarterly principal payments. Under the ING $100.6 million Facility as last amended and restated on March 28, 2019, the following financing amounts have also been drawn: i) in October 2018, two tranches of $22.5 million each, which are repayable in 28 equal consecutive quarterly installments of $0.5 million and a balloon payment of $9.4 million payable together with the last installment and were used to refinance the outstanding amount under the then existing loan agreement of the vessels *Peloreus* and *Leviathan,* ii) in July 2019, two tranches of $1.4 million each, which are repayable in 16 equal consecutive quarterly installments of $0.09 million each, and were used to finance the acquisition and installation of scrubber equipment for the vessels *Peloreus* and *Leviathan*, iii) in March 2019 and April 2019 two tranches of $32.1 million and $17.4 million, respectively, which are repayable in 28 equal consecutive quarterly principal payments of $0.5 million and $0.3 million, plus a balloon payment of $17.1 million and $8.7 million, respectively, both due in seven years after the drawdown date, and were used to refinance the outstanding amounts under the then existing lease agreements of the vessels *Star Magnanimus* and *Star Alessia,* and iv) in May 2019 and November 2019, two tranches of $1.4 million each, which are repayable in 16 equal consecutive quarterly installments of $0.9 million each, and were used to finance the acquisition and installation of scrubber equipment for the vessels *Star Magnanimus* and *Star Alessia.* The ING $170.6 million Facility is secured by a first priority mortgage on the vessels *Peloreus*, *Leviathan*, *Star Magnanimus, Star Alessia, Star Claudine*, *Star Ophelia*, *Star Lyra*, *Star Bianca*, *Star Flame* and *Star Mona.*

19. Alpha Bank $35.0 million Facility

On July 2, 2020, we entered into a loan agreement with Alpha Bank S.A. for a loan of up to $35.0 million (the "Alpha Bank $35.0 million Facility"). The amount of $35.0 million is available in three tranches. The first two tranches of $11.0 million and $9.0 million were drawn on July 6, 2020 and used to refinance the outstanding amounts under the lease agreements with CMBL of the vessels *Star Sky* and *Stardust*. The third tranche of $15.0 million was drawn on July 31, 2020 and used to refinance the outstanding amount of $13.1 million of *Star Martha* under the then existing DVB $24.8 million Facility. Each tranche is repayable in 20 consecutive, quarterly principal payments ranging from $0.3 million to $0.4 million and a balloon payment ranging from $3.8 million to $6.5 million payable simultaneously with the last quarterly installment, which is due in July 2025. The Alpha Bank $35.0 million Facility was refinanced in 2021 using part of the funds received under the Credit Agricole $62.0 million Facility, as described below. Prior to its repayment the Alpha Bank $35.0 million Facility was secured by first priority mortgages on the aforementioned vessels.

20. Piraeus Bank $50.4 million Facility

On July 3, 2020, we entered into a loan agreement with Piraeus Bank S.A. for a loan of up to $50.4 million (the "Piraeus Bank $50.4 million Facility"). The amount of $50.4 million was drawn on July 6, 2020 and used to refinance all outstanding amounts under the lease agreements with CMBL of the vessels *Star Luna*, *Star Astrid*, *Star Genesis*, *Star Electra* and *Star Glory*. The loan amount is repayable in 20 consecutive, quarterly principal payments of $1.1 million for each of the first four quarters and of $1.3 million for each of the remaining 16 quarters, and a balloon payment of $25.2 million payable simultaneously with the last quarterly installment, which is due in July 2025. The Piraeus Bank $50.4 million Facility was refinanced in 2021, using part of the funds received under the DNB $107.5 million Facility, as described below. Prior to its repayment the Piraeus Bank $50.4 million Facility was secured by first priority mortgages on the five aforementioned vessels.

21. NTT $17.6 million Facility

On July 10, 2020, we entered into a loan agreement with a wholly owned subsidiary of NTT Finance Corporation for an amount of $17.6 million (the "NTT $17.6 million Facility"). The amount was drawn on July 20, 2020 and used to refinance the outstanding amount under the lease agreement with CMBL of the vessel *Star Calypso*. The facility is repayable in 20 quarterly principal payments of $0.5 million and a balloon payment of $8.1 million, which is due in July 2025. The NTT $17.6 million Facility is secured by first priority mortgage on the vessel *Star Calypso*.

22. CEXIM Bank $57.6 million Facility

On December 1, 2020 we entered into a loan agreement with China Export-Import Bank for a loan amount of $57.6 million (the "CEXIM Bank $57.6 million Facility") which was drawn in four tranches in late December 2020 and used to refinance the outstanding amounts under a loan facility secured by the vessels Star Gina 2GR, Star Charis, Star Suzanna and a lease agreement secured by the vessel *Star Wave*. The first two tranches for *Star Wave* of $13.2 million and for *Star Gina 2GR* of $26.2 million*,* are repayable in 32 equal quarterly installments of $0.3 million and $0.7 million and a balloon payment of $2.6 million and $5.2 million, respectively, due in December 2028. The remaining two tranches of $9.1 million each, for *Star Charis* and *Star Suzanna,* are repayable in 32 equal quarterly installments. The facility matures in December 2028 and is secured by first priority mortgages on the four aforementioned vessels.

23. SEB $39.0 million Facility

On January 22, 2021, we entered into a loan agreement with SEB for a loan amount of $39.0 million (the "SEB $39.0 million Facility"). The amount was drawn on January 25, 2021 and was used to finance the cash consideration for the three Capesize dry bulk vessels acquired from E.R, which were delivered to us on January 26, 2021. The SEB $39.0 million Facility is repayable in 20 equal quarterly principal payments of $1.95 million with the last installment due in January 2026 and is secured by first priority mortgages on the vessels *Star Bueno, Star Borneo and Star Marilena.*.

24. NBG $125.0 million Facility

On June 24, 2021, we entered into an agreement with the National Bank of Greece for a term loan with one drawing in an amount of up to $125.0 million (the "NBG $125.0 million Facility"). On June 28, 2021, we drew down $125.0 million under the NBG $125.0 million Facility to refinance the outstanding amount of $98.5 million under the DNB $310.0 million Facility (discussed above). The facility is repayable in 20 equal quarterly principal payments of $3.75 million and a balloon payment of $50.0 million payable together with the last installment due in June 2026 The NBG $125.0 million Facility is secured by first priority mortgages on the vessels *Big Bang, Strange Attractor, Big Fish*, *Pantagruel*, *Star Nasia*, *Star Danai, Star Renee, Star Markella, Star Laura, Star Moira, Star Jennifer*, *Star Mariella, Star Helena*, *Star Maria*, *Star Triumph*, *Star Angelina* and *Star Gwyneth.*.

25. ING $210.6 million Facility

On August 19, 2021 we entered into an amended and restated facility agreement with ING Bank N.V., London Branch (ING) (the "ING $210.6 million Facility"), in order to increase the financing by $40.0 million and to include additional borrowers under the existing ING $170.6 million Facility (discussed above). The additional financing amount of $40.0 million was available in two equal tranches and were drawn on August 23, 2021, in order to finance part of the acquisition cost of the vessels *Star Elizabeth* and *Star Pavlina*, which were delivered in 2021, Each tranche is repayable in 20 consecutive quarterly principal payments of $0.3 million plus a balloon payment of $14.1 million due five years after their drawdown. The ING $210.6 million Facility is secured also by a first priority mortgage on the two additional vessels.

26. DNB $107.5 million Facility

On September 28, 2021, we entered into an agreement with the DNB Bank ASA for a term loan with one drawing in an amount of up to $107.5 million (the "DNB $107.5 million Facility"). On September 29, 2021, the maximum amount was drawn and used to refinance the aggregate outstanding amount of $85.8 million under the then existing facilities (i) Credit Agricole $43.0 million Facility, (ii) Piraeus Bank $50.4 million Facility and (iii) Bank of Tokyo Facility. The DNB $107.5 million Facility is repayable in 20 equal quarterly principal payments of $3.7 million and a balloon payment of $33.4 million payable together with the last installment due in September 2026. The DNB $107.5 million Facility is secured by first priority mortgages on the vessels *Star Luna*, *Star Astrid*, *Star Genesis*, *Star Electra*, *Star Glory Star Monica, Star Borealis* and *Star Polaris.*

27. ABN AMRO $97.1 million Facility

On October 27, 2021, we entered into an agreement with the ABN AMRO Bank N.V, for a loan facility of up to $97.1 million (the "ABN AMRO $97.1 million Facility"). The amount of $97.1 million was drawn on October 29, 2021 and was used to refinance the outstanding amount under the then existing facility Citi $130.0 million Facility of $89.9 million. The ABN AMRO $97.1 million Facility was available in two tranches, one of $68.95 million which is repayable in 20 equal quarterly principal payments of $2.25 million and a balloon payment of $23.95 million payable together with the last installment due in October 2026 and one of $28.2 million which is repayable in 12 equal quarterly principal payments of $2.35 million, maturing in October 2024. The ABN AMRO $97.1 million Facility is secured by a first priority mortgage on the vessels *Star Pauline*, *Star Angie*, *Star Sophia*, *Star Georgia*, *Star Kamila* and *Star Nina, Star Eva*, Star *Paola*, *Star Aphrodite*, *Star Lydia* and *Star Nicole*.

28. Credit Agricole $62.0 million Facility

On October 29, 2021, we entered into a loan agreement with Credit Agricole Corporate and Investment Bank (the "Credit Agricole $62.0 million Facility") for the financing of an aggregate amount of $62.0 million, to refinance the aggregate outstanding amount of $49.4 million under the then existing agreements, Alpha Bank $35.0 million Facility and BNP Facility, and to prepay an amount of $2.0 million under the Atradius Facility in connection with the vessels *Star Despoina* and *Star Piera*. The amount of $62.0 million was drawn on November 2, 2021 and is repayable in 20 quarterly installments of which the first three will be of $3.0 million and the following 17 of $2.6 million and a balloon payment of $8.8 million, payable together with the last installment due in November 2026. The Credit Agricole $62.0 million Facility is secured by the vessels *Star Martha, Star Sky*, *Stardust, Star Despoina and Star Piera*.

All of our bank loans bear interest at LIBOR plus a margin except for DSF $55.0 million Facility described above.

Credit Facility Covenants

Our outstanding credit facilities generally contain customary affirmative and negative covenants, on a subsidiary level, including limitations to:

- pay dividends if there is an event of default under our credit facilities;
- incur additional indebtedness, including the issuance of guarantees, or refinance or prepay any indebtedness, unless certain conditions exist;
- create liens on our assets, unless otherwise permitted under our credit facilities;
- change the flag, class or management of our vessels or terminate or materially amend the management agreement relating to each vessel;
- acquire new or sell vessels, unless certain conditions exist;
- merge or consolidate with, or transfer all, or substantially all, our assets to another person; or
- enter into a new line of business.

Furthermore, our credit facilities contain financial covenants requiring us to maintain various financial ratios, including among others:

- a minimum percentage of vessel value to loan amount secured (security cover ratio or "SCR");
- a maximum ratio of total liabilities to market value adjusted total assets;
- a minimum liquidity; and
- a minimum market value adjusted net worth.

As of December 31, 2021, we were in compliance with the applicable financial and other covenants contained in our debt agreements.

Issuance of 2022 Notes

On November 9, 2017, we issued $50.0 million aggregate principal amount of 8.30% Senior Notes due 2022 (the "2022 Notes"). The proceeds were $50.0 million were applied to redeem the then outstanding notes (the "2019 Notes") on December 11, 2017 at an aggregate redemption price of 100% of the outstanding principal amount, plus accrued and unpaid interest to, but not including, the date of redemption. On July 30, 2021, we redeemed all of 2022 Notes for 100% of the outstanding principal amount, or $50.0 million, plus accrued and unpaid interest up to but not including the redemption date.

Bareboat Charters

In December 2018, we sold and simultaneously entered into a bareboat charter party contract with an affiliate of Kyowa Sansho to bareboat charter the vessel *Star Fighter* for ten years. Pursuant to the terms of the bareboat charter, we pay a daily bareboat charter hire rate payable monthly plus a variable amount. Under the terms of the bareboat charter, we have an option to purchase the vessel starting on the third anniversary of the vessel's delivery to us at a pre-determined, amortizing purchase price, while we have an obligation to purchase the vessel at the expiration of the bareboat term at a purchase price of $2.5 million. The amount of $16.1 million provided under the respective agreement was used to pay the remaining amount of approximately $12.0 million under the then existing agreement with HSH Nordbank (the "HSH Nordbank $35.0 million Facility").

On March 29, 2019, we entered into an agreement to sell *Star Pisces* to SK Shipholding S.A. and simultaneously entered into a seven-year bareboat charter for the vessel. Pursuant to the terms of the bareboat charter, we pay a daily bareboat charter hire rate monthly plus interest, and we have an option to purchase the vessel starting on the third anniversary of the vessel's delivery to us at a pre-determined, amortizing purchase price. We also have an obligation to purchase the vessel at the expiration of the bareboat term at a purchase price of $7.6 million. The amount of $19.1 million provided under the agreement which was concluded in April 2019, was used to pay the remaining amount of $11.7 million under the then existing NIBC $32.0 million Facility.

On May 22, 2019, we entered into an agreement to sell *Star Libra* to Ocean Trust Co. Ltd. and simultaneously entered into a seven-year bareboat charter for the vessel. Pursuant to the terms of the bareboat charter, we pay a daily bareboat charter hire rate quarterly plus interest, and we have an option to purchase the vessel at any time after the vessel's delivery to us at a pre-determined, amortizing purchase price. We also have an obligation to purchase the vessel at the expiration of the bareboat term at a purchase price of $18.1 million. The amount of $34.0 million provided under the agreement which was concluded in July 2019, was used to pay the remaining amount under the previous lease agreement for *Star Libra* with CSSC.

On July 10, 2019, we entered into an agreement to sell *Star Challenger* to Kyowa Sansho Co. Ltd. and simultaneously entered into an eleven-year bareboat charter party for the vessel. Pursuant to the terms of the bareboat charter, we pay a daily bareboat charter hire rate monthly plus a variable amount and we have an option to purchase the vessel starting on the third anniversary of vessel's delivery to us at a pre-determined, amortizing purchase price. We also have an obligation to purchase the vessel at the expiration of the bareboat term. The amount of $15.0 million provided under the agreement was used to pay the remaining amount of approximately $10.9 million under the then existing HSH Nordbank $35.0 million Facility.

In order to finance the cash portion of the consideration for the acquisition of the Delphin Vessels, in July 2019, we entered, for each of the subject vessels, into an agreement to sell each such vessel and simultaneously entered into a seven-year bareboat charter party contract with affiliates of CMBL for each vessel upon its delivery from Delphin. CMBL agreed to provide an aggregate finance amount of $91.4 million. Pursuant to the terms of each bareboat charter, we pay CMBL a fixed bareboat charter hire rate in quarterly installments plus interest. Under the terms of the bareboat charters, we have options to purchase each vessel starting on the first anniversary of such vessel's delivery to us, at a pre-determined, amortizing purchase price, while we have an obligation to purchase each vessel at the expiration of the bareboat term at a purchase price ranging from $1.0 million to $3.4 million. In addition, CMBL provided and additional aggregate amount of $15.0 million, under the aforementioned bareboat charters, which was received during the year 2020 and used to finance the acquisition and installation of scrubber equipment for the Delphin Vessels. In December 2021, the Company repaid the outstanding amounts of $19.2 million for three out of the 11 vessels.

On August 27, 2020, we entered into sale and leaseback agreements with CMBL for the vessels *Laura*, *Idee Fixe*, *Roberta*, *Kaley*, *Diva*, *Star Sirius* and *Star Vega*. On August 28 and August 31, 2020, we received an aggregate amount of $82.8 million, in connection with the finalization of the sale and leaseback transactions of the aforementioned vessels, except for the vessel *Diva*, which transaction was finalized on November 17, 2020 and in connection with which we received an additional amount of $7.2 million. The amounts received were used to pay the remaining amounts of i) $51.1 million under the previous lease agreements for the first four vessels and ii) $24.6 million under the then existing DNB $310.0 million Facility, as discussed above, for the remaining three vessels. The lease terms are for five years and pursuant to the terms of each bareboat charter, we pay CMBL a fixed bareboat charter hire rate in quarterly installments plus interest and have options to purchase each vessel starting on the first anniversary of such vessel's delivery to us, at a pre-determined, amortizing purchase price.

On September 3, 2020, we entered into an agreement to sell *Star Lutas* to SK Shipholding S.A. and simultaneously entered into a seven-year bareboat charter for the vessel. Pursuant to the terms of the bareboat charter, we pay a daily bareboat charter hire rate monthly plus interest, and we have an option to purchase the vessel starting on the third anniversary of the vessel's delivery to us at a pre-determined, amortizing purchase price. We also have an obligation to purchase the vessel at the expiration of the bareboat term at a purchase price of $7.4 million. The amount of $16.0 million provided under the agreement which was received on September 18, 2020, was used to pay the vessel's remaining amount of $9.3 million under the then existing loan agreement.

On September 21, 2020, we entered into sale and leaseback agreements with SPDB Financial Leasing Co. Ltd for the vessels *Mackenzie*, *Kennadi*, *Honey Badger*, *Wolverine* and *Star Antares*. In September 2020, an aggregate amount of $76.5 million was received pursuant to the five sale and leaseback agreements, which was used to pay the remaining amount of $47.8 million under the then existing loan facility. The lease terms are for eight years and pursuant to the terms of each bareboat charter, we pay a fixed bareboat charter hire rate in quarterly installments plus interest and have options to purchase each vessel starting on the third anniversary of such vessel's delivery to us, at a pre-determined, amortizing purchase price while we have an obligation to purchase each vessel at the expiration of the bareboat term at a purchase price ranging from $7.8 million to $7.9 million.

On September 25, 2020, we entered into sale and leaseback agreements with ICBC Financial Leasing Co., Ltd. for the vessels *Gargantua*, *Goliath* and *Maharaj*. An aggregate amount of $93.2 million was received on September 29, 2020, pursuant to the three sale and leaseback agreements, which was used to pay the remaining amount of $64.5 million for the respective vessels under the DNB $310.0 million Facility (as discussed above). The lease terms are for 10 years and pursuant to the terms of each bareboat charter, we pay a fixed bareboat charter hire rate in quarterly installments plus interest and we have options to purchase each vessel starting on the third anniversary of such vessel's delivery to us, at a pre-determined, amortizing purchase price while we have an obligation to purchase each vessel at the expiration of the bareboat term at a purchase price of $14.0 million.

On the delivery date of each Eneti Acquisition Vessel to us, a tripartite novation agreement between CMBL, Eneti Inc. and ourselves was executed, which resulted in an increase of our lease financing obligations by $96.1 million in 2021, taking into account an amount of $0.5 million per vessel that was paid to the lessors as security for our obligations which amount will progressively be released until May 2025. Pursuant to the terms of each bareboat charter, we pay CMBL a fixed bareboat charter hire rate in quarterly installments plus interest and we have options to purchase each vessel starting in May 2022, at a pre-determined, amortizing purchase price which is considered to be at significantly lower level compared to the expected fair value of each vessel at any date between May 2022 and the expiration of the bareboat charter term, in May 2026.

Some of our bareboat lease agreements contain financial covenants similar to those included in our credit facilities described above.

At-the-Market Offering Programs

On July 1, 2021, we entered into two "At-the-Market" offering programs, one with Jefferies LLC, "Jefferies", and one with Deutsche Bank Securities Inc., "Deutsche Bank" and together with Jefferies, the "Sales Agents". In accordance with the terms of each at-the-market sale agreement with Jefferies and Deutsche Bank, we may offer and sell a number of our common shares, having an aggregate offering price of up to $75 million at any time and from time to time through each of the Sales Agents, as agent or principal. We intend to use the net proceeds from any sales under the two "At-the-Market" offering programs for capital expenditures, working capital, debt repayment, funding for vessel and other asset or share acquisitions or for other general corporate purposes, or a combination thereof. As of the date of this annual report, no shares have been sold from us under either of the two offering programs.

C. Research and Development, Patents and Licenses

Not Applicable.

D. Trend Information

Please see "Item 4. Information on the Company" and "Item 5. Operating and Financial Review and Prospects."

E. Critical Accounting Estimates

We make certain estimates and judgments in connection with the preparation of our consolidated financial statements, which are prepared in accordance with accounting principles generally accepted in the United States ("U.S. GAAP"), that affect the reported amount 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 or conditions.

Critical accounting estimates are those that reflect significant judgments or uncertainties, and potentially result in materially different results under different assumptions and conditions. We have described below what we believe are the most critical accounting estimates that involve a high degree of judgment and the methods of their application. For a description of all of our significant accounting policies, see Note 2 (Significant Accounting Policies) to our consolidated financial statements included herein for more information.

Impairment of long-lived assets: We follow guidance related to the impairment or disposal of long-lived assets, which addresses financial accounting and reporting for such impairment or disposal. The standard requires that long-lived assets held for use by an entity be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. The guidance calls for an impairment loss when the estimate of future undiscounted net operating cash flows, excluding interest charges, expected to be generated by the use and eventual disposition of the asset is less than its carrying amount to the extent that its carrying amount is higher than its fair market value. The impairment loss is determined by the difference between the carrying amount of the asset and the fair value of the asset. The Company determines the fair value of its assets based on management estimates and assumptions and by making use of available market data and taking into consideration agreed sale prices and third-party valuations. In this respect, management regularly reviews the carrying amount of each vessel, including newbuilding contracts, if any, when events and circumstances indicate that the carrying amount of a vessel or a new building contract might not be recoverable (such as vessel sales and purchases, business plans, obsolescence or damage to the asset and overall market conditions).

When impairment indicators are present, we determine if the carrying value of each asset is recoverable by comparing (A) the future undiscounted net operating cash flows for each asset, using a probability weighted approach between the Value-In-Use method and the fair market value of the vessel when alternative courses of action are under consideration (i.e. sale or continuing operation of a vessel), to (B) the carrying value for such asset. Our management's subjective judgment is required in making assumptions and estimates used in forecasting future operating results for this calculation. Such judgment is based on current market conditions, historical industry's and Company's specific trends, as well as expectations regarding future charter rates, vessel operating expenses, vessel's residual value and vessel's utilization over the remaining useful life of the vessel. These estimates are also consistent with the plans and forecasts used by the management to conduct our business.

The future undiscounted net operating cash flows are determined by considering the charter revenues from existing time charters for the fixed vessel days and an estimated daily time charter equivalent rate for the unfixed days over the estimated remaining economic life of each vessel, net of brokerage and address commissions. Estimates of the daily time charter equivalent for the unfixed days are based on the prevailing, as of end of year, Forward Freight Agreement ("FFA") rates of the respective calendar year for each of the first three years, average of the FFA rate of the third year and the historical average market rate of similar size vessels for the fourth year, and historical average market rates of similar size vessels for the period thereafter. The expected cash inflows from charter revenues are based on an assumed fleet utilization rate of approximately 98% for the unfixed days, also taking into account expected technical off-hire days. In addition, in light of our investment in EGCS, an estimate of an additional daily revenue for each scrubber-fitted vessel was also included, reflecting additional compensation from charterers due to the fuel cost savings that these vessels provide. In assessing expected future cash outflows, management forecasts vessel operating expenses, which are based on our internal budget for the first annual period, and thereafter assume an annual inflation rate of up to 3% (escalating to such level during the first three-year period and capped at the thirteenth year thereafter), management fees and vessel expected maintenance costs (for dry docking and special surveys). The estimated salvage value of each vessel is $300 per light weight ton, in accordance with our vessel depreciation policy. We use a probability weighted approach for developing estimates of future cash flows used to test our vessels for recoverability when alternative courses of action are under consideration (i.e. sale or continuing operation of a vessel). If our estimate of future undiscounted net operating cash flows for any vessel is lower than the vessel's carrying value, the carrying value is written down to the vessel's fair market value with a charge recorded in earnings.

Using the framework for estimating future undiscounted net operating cash flows described above, we completed our impairment analysis for the years ended December 31, 2020 and 2021, for those operating vessels whose carrying values were above their respective market values. Our impairment analysis as of December 31, 2020 and 2021, indicated that the carrying amount of our vessels, was recoverable, and therefore concluded that no impairment charge was necessary.

Although we believe that the assumptions used to evaluate potential asset impairment are based on historical trends and are reasonable and appropriate, such assumptions are highly subjective. To minimize such subjectivity, our analysis for the year ended December 31, 2021, also involved sensitivity analysis to the model input we believe is most important, being the historical rates. In particular, in terms of our estimates for the charter rates for the unfixed period, we consider that the FFA as of December 31, 2021, which is applied in our model for the first three years period, approximates the levels of charter rates at which the Company could fix all of its unfixed vessels currently, should management opt for a fully hedged chartering strategy over the next three years. We, however, sensitized our model with regards to freight rate assumptions for the unfixed period beyond the first three years and until the end of the remaining useful life. Our sensitivity analysis revealed that, to the extent the historical rates would not decline by more than a range of 38% to 49%, depending on the vessel, we would not be required to recognize additional impairment.

Vessel Acquisitions and Depreciation: We record the value of our vessels at their cost (which includes acquisition costs directly attributable to the vessel and delivery expenditures, including pre-delivery expenses and expenditures made to prepare the vessel for its initial voyage) less accumulated depreciation and impairment, if any. We depreciate our vessels on a straight-line basis over their estimated useful lives, after considering the estimated salvage value. We estimate the useful life of our vessels to be 25 years from the date of initial delivery from the shipyard, with secondhand vessels depreciated from the date of their acquisition through their remaining estimated useful life.

An increase in the useful life of a vessel or in its residual value would have the effect of decreasing the annual depreciation and extending it into later periods. A decrease in the useful life of a vessel or in its residual value would have the effect of increasing the annual depreciation and accelerating it into earlier periods.

A decrease in the useful life of the vessel may occur as a result of poor vessel maintenance, harsh ocean going and weather conditions, or poor quality of shipbuilding. When regulations place limitations over the ability of a vessel to trade on a worldwide basis, its remaining useful life is adjusted to end at the date such regulations preclude such vessel's further commercial use. Weak freight market rates result in owners scrapping more vessels and scrapping them earlier in their lives due to the unattractive returns.

An increase in the useful life of the vessel may occur as a result of superior vessel maintenance performed, favorable ocean going and weather conditions, superior quality of shipbuilding, or high freight market rates, which result in owners scrapping the vessels later in their lives due to the attractive cash flows.

Actual outcomes may differ from estimates. Such estimates are reviewed and updated at each reporting period.

Our Fleet - Illustrative Comparison of Possible Excess of Carrying Value over Estimated Charter-Free Market Value of Certain Vessels

In "Item 5. Operating and Financial Review and Prospects—E. Operating Results—Critical Accounting Estimates—Impairment of long-lived assets," we discuss our policy for impairing the carrying values of our vessels. During the past few years, the market values of vessels have experienced particular volatility, with substantial declines in many vessel classes. As a result, the charter-free market value, or basic market value, of certain of our vessels may have declined below those vessels' carrying value. We would, however, not impair those vessels' carrying value under our accounting impairment policy, due to our belief that future undiscounted net operating cash flows expected to be earned by such vessels over their operating lives would exceed such vessels' carrying amounts.

The table set forth below indicates: (i) the carrying value of each of our vessels as of December 31, 2021, and (ii) which of our vessels we believe have a market value below their carrying value. As of December 31, 2021, we have nine out of our 128 operating vessels (107 out of 116 our operating vessels as at December 31, 2020) that we believe have a market value below their carrying value. The aggregate difference between the carrying value of these vessels and their market value of $20.2 million ($542.3 million in 2020), represents the amount by which we believe we would have to reduce our net income if we sold these vessels in the current environment, on industry standard terms, in cash transactions, and to a willing buyer where we are not under any compulsion to sell, and where the buyer is not under any compulsion to buy. For purposes of this calculation, we have assumed that the vessels would be sold at a price that reflects our estimate of their charter-free market values as of December 31, 2021. However, we are not holding our vessels for sale, unless expressly stated.

Our estimates of charter-free market value assume that our vessels are all in good and seaworthy condition without need for repair and if inspected would be certified in class without notations of any kind. Our estimates are based on information available from various industry sources, including:

- reports by industry analysts and data providers that focus on our industry and related dynamics affecting vessel values;
- news and industry reports of similar vessel sales;
- news and industry reports of sales of vessels that are not similar to our vessels, where we have made certain adjustments in an attempt to derive information that can be used as part of our estimates;
- approximate market values for our vessels or similar vessels that we have received from shipbrokers, whether solicited or unsolicited, or that shipbrokers have generally disseminated;
- offers that we may have received from potential purchasers of our vessels; and
- vessel sale prices and values of which we are aware through both formal and informal communications with ship owners, shipbrokers, industry analysts and various other shipping industry participants and observers.

As we obtain information from various industry and other sources, our estimates of charter-free market value are inherently uncertain. In addition, vessel values are highly volatile; as such, our estimates may not be indicative of the current or future charter-free market value of our vessels or prices that we could achieve if we were to sell them.

	Vessel Name	DWT	Year Built	Carrying Value as of December 31, 2020 (in millions of U.S dollars)		Carrying Value as of December 31, 2021 (in millions of U.S dollars)	
1	*Gargantua (1)*	209,529	2015	53	**	51	
2	*Star Gina 2GR*	209,475	2016	36		35	
3	*Maharaj (1)*	209,472	2015	53	**	52	*
4	*Goliath (1)*	207,999	2015	53	**	52	*
5	*Star Leo*	207,939	2018	50	**	49	
6	*Star Laetitia*	207,896	2017	47	**	45	
7	*Star Ariadne*	207,774	2017	50	**	48	
8	*Star Virgo*	207,774	2017	48	**	46	
9	*Star Libra (1)*	207,727	2016	49	**	48	
10	*Star Sienna*	207,721	2017	46	**	45	
11	*Star Marisa*	207,671	2016	51	**	49	
12	*Star Karlie*	207,566	2016	49	**	46	
13	*Star Eleni*	207,517	2018	43		42	
14	*Star Magnanimus*	207,490	2018	53	**	51	
15	*Debbie H*	206,823	2019	50	**	48	
16	*Star Ayesha*	206,814	2019	50	**	48	
17	*Katie K*	206,803	2019	49	**	47	
18	*Leviathan*	182,466	2014	33		32	
19	*Peloreus*	182,451	2014	33		31	
20	*Star Claudine*	181,258	2011	30	**	29	
21	*Star Ophelia*	180,716	2010	29	**	28	
22	*Star Pauline*	180,233	2008	25	**	24	
23	*Star Martha*	180,231	2010	35	**	34	
24	*Pantagruel*	180,140	2004	25	**	22	*
25	*Star Polaris*	179,648	2011	40	**	39	*
26	*Star Borealis*	179,601	2011	40	**	38	*
27	*Star Lyra*	179,147	2009	27	**	25	
28	*Star Borneo*	178,978	2010	n/a		20	
29	*Star Bueno*	178,978	2010	n/a		20	
30	*Star Marilena*	178,977	2010	n/a		20	
31	*Star Janni*	177,939	2010	25	**	24	

	Vessel Name	DWT	Year Built	Carrying Value as of December 31, 2020 (in millions of U.S dollars)		Carrying Value as of December 31, 2021 (in millions of U.S dollars)	
32	*Star Marianne*	178,841	2010	22	**	21	
33	*Star Angie*	177,931	2007	29	**	28	*
34	*Big Fish*	177,620	2004	25	**	22	*
35	*Kymopolia*	176,948	2006	29	**	27	*
36	*Star Triumph*	176,274	2004	15	**	14	
37	*Star Scarlett*	175,800	2014	35	**	33	
38	*Star Audrey*	175,125	2011	28	**	27	
39	*Big Bang*	174,109	2007	31	**	29	*
40	*Star Paola*	115,259	2011	21	**	21	
41	*Star Eva*	106,659	2012	20	**	19	
42	*Amami*	98,648	2011	23	**	22	
43	*Madredeus*	98,648	2011	23	**	22	
44	*Star Sirius (1)*	98,648	2011	24	**	23	
45	*Star Vega (1)*	98,648	2011	24	**	23	
46	*Star Aphrodite*	92,006	2011	20	**	20	
47	*Star Piera*	91,952	2010	19	**	18	
48	*Star Despoina*	91,945	2010	19	**	18	
49	*Star Kamila*	87,001	2005	17	**	15	
50	*Star Electra*	83,494	2011	21	**	19	
51	*Star Angelina*	82,953	2006	19	**	18	
52	*Star Gwyneth*	82,703	2006	20	**	18	
53	*Star Luna*	82,687	2008	16	**	15	
54	*Star Bianca*	82,672	2008	17	**	16	
55	*Pendulum*	82,578	2006	17	**	16	
56	*Star Maria*	82,578	2007	15	**	14	
57	*Star Markella*	82,574	2007	16	**	16	
58	*Star Jeanette*	82,567	2014	24	**	23	
59	*Star Danai*	82,554	2006	16	**	15	
60	*Star Elizabeth*	82,430	2021	n/a		27	
61	*Star Pavlina*	82,361	2021	n/a		27	
62	*Star Georgia*	82,281	2006	14	**	14	
63	*Star Sophia*	82,252	2007	16	**	15	
64	*Star Mariella*	82,249	2006	17	**	16	
65	*Star Moira*	82,220	2006	15	**	14	
66	*Star Renee*	82,204	2006	13	**	13	
67	*Star Laura*	82,192	2006	13	**	12	
68	*Star Nasia*	82,183	2006	18	**	17	
69	*Star Nina*	82,145	2006	13	**	13	

	Vessel Name	DWT	Year Built	Carrying Value as of December 31, 2020 (in millions of U.S dollars)		Carrying Value as of December 31, 2021 (in millions of U.S dollars)
70	*Star Jennifer*	82,192	2006	11		11
71	*Star Mona*	82,188	2012	21	**	20
72	*Star Astrid*	82,158	2012	21	**	20
73	*Star Helena*	82,150	2006	13	**	12
74	*Star Alessia*	81,944	2017	28	**	27
75	*Star Calypso*	81,918	2014	23	**	22
76	*Star Suzanna*	81,644	2013	16		16
77	*Star Charis*	81,643	2013	16		15
78	*Mercurial Virgo*	81,502	2013	23	**	22
79	*Stardust*	81,502	2011	20	**	20
80	*Star Sky*	81,466	2010	19	**	19
81	*Star Lambada (1)*	81,272	2016	n/a		22
82	*Star Capoeira (1)*	81,253	2015	n/a		21
83	*Star Carioca (1)*	81,199	2015	n/a		21
84	*Star Macarena (1)*	81,198	2016	n/a		22
85	*Star Lydia*	81,187	2013	23	**	22
86	*Star Nicole*	81,120	2013	23	**	22
87	*Star Virginia*	81,061	2015	26	**	24
88	*Star Genesis*	80,705	2010	19	**	19
89	*Star Flame*	80,448	2011	20	**	19
90	*Star Iris*	76,390	2004	15	**	15
91	*Star Emily*	76,339	2004	14	**	13
92	*Idee Fixe (1)*	63,437	2015	26	**	25
93	*Roberta (1)*	63,404	2015	27	**	25
94	*Laura (1)*	63,377	2015	26	**	25
95	*Star Athena (1)*	63,371	2015	n/a		20
96	*Kaley (1)*	63,261	2015	27	**	26
97	*Kennadi (1)*	63,240	2016	28	**	26
98	*Mackenzie (1)*	63,204	2016	17		17
99	*Star Apus (1)*	63,123	2014	19	**	18
100	*Star Bovarius (1)*	61,571	2015	n/a		19
101	*Star Subaru (1)*	61,521	2015	n/a		19
102	*Star Wave*	61,491	2017	26	**	25
103	*Star Challenger (1)*	61,462	2012	24	**	23
104	*Star Fighter (1)*	61,455	2013	24	**	22
105	*Honey Badger (1)*	61,324	2015	27	**	26
106	*Star Lutas (1)*	61,323	2016	26	**	25

	Vessel Name	DWT	Year Built	Carrying Value as of December 31, 2020 (in millions of U.S dollars)		Carrying Value as of December 31, 2021 (in millions of U.S dollars)
107	*Wolverine (1)*	61,268	2015	27	**	26
108	*Star Antares (1)*	61,234	2015	26	**	25
109	*Star Monica*	60,935	2015	25	**	24
110	*Star Aquarius*	60,873	2015	21	**	20
111	*Star Pisces (1)*	60,873	2015	21	**	20
112	*Star Glory*	58,680	2012	16	**	15
113	*Star Pyxis (1)*	56,615	2013	13	**	13
114	*Star Hydrus (1)*	56,604	2013	12		12
115	*Star Cleo (1)*	56,582	2013	13	**	13
116	*Diva (1)*	56,582	2011	11	**	11
117	*Star Centaurus*	56,559	2012	12	**	11
118	*Star Hercules*	56,545	2012	12	**	12
119	*Star Pegasus (1)*	56,540	2013	13	**	13
120	*Star Cepheus (1)*	56,539	2012	12	**	12
121	*Star Columba (1)*	56,530	2012	12	**	12
122	*Star Dorado (1)*	56,507	2013	13	**	13
123	*Star Aquila*	56,506	2012	13	**	12
124	*Star Bright*	55,783	2010	14	**	13
125	*Strange Attractor*	55,715	2006	16	**	15
126	*Star Omicron*	53,444	2005	13	**	12
127	*Star Zeta*	52,994	2003	9	**	8
128	*Star Theta*	52,425	2003	9	**	8
	Total dwt	**14,072,068**		**2,877**		**3,013**

(1) Vessels subject to a sale and leaseback financing transaction, as further described in Note 6 to our audited consolidated financial statements included in this annual report.

* Indicates dry bulk carrier vessels for which we believe, as of December 31, 2021, the basic charter-free market value is lower than the vessel's carrying value.

** Indicates dry bulk carrier vessels for which we believe, as of December 31, 2020, the basic charter-free market value is lower than the vessel's carrying value.

We refer you to the risk factor entitled "A decline in the market values of our vessels could limit the amount of funds that we can borrow, cause us to breach certain financial covenants in our credit facilities, result in impairment charges or losses on sale" and the discussion herein under the headings "Critical Accounting Estimates - Impairment of long-lived assets".

G. Safe Harbor

See section "forward looking statements" at the beginning of this annual report.

Item 6. Directors, Senior Management and Employees

A. Directors and Senior Management

Set forth below are the names, ages and positions of our directors and executive officers. The Board of Directors is elected annually on a staggered basis, and each director elected holds office until his/her successor shall have been duly elected and qualified, except in the event of his/her death, resignation, removal or the earlier termination of his/her term of office. Officers are elected from time to time by vote of our Board of Directors and hold office until a successor is elected.

Messrs Koert Erhardt and Bryan Laibow were re-elected to the Board of Directors and Mr. Sherman Lau was elected to the Board of Directors at the Company's 2021 Annual Meeting of Shareholders held on May 13, 2021.

Our Board of Directors is comprised of eleven Directors.

Our directors and executive officers are as follows:

Name	Age	Position
Petros Pappas	69	Chief Executive Officer and Class C Director
Spyros Capralos	67	Non-Executive Chairman and Class C Director
Hamish Norton	63	President
Simos Spyrou	47	Co-Chief Financial Officer
Christos Begleris	40	Co-Chief Financial Officer
Nicos Rescos	50	Chief Operating Officer
Charis Plakantonaki	42	Chief Strategy Officer
Koert Erhardt	66	Class B Director
Mahesh Balakrishnan	39	Class A Director
Nikolaos Karellis	71	Class A Director
Arne Blystad	67	Class C Director
Raffaele Zagari	53	Class C Director
Brian Laibow	45	Class B Director
Sherman Lau	28	Class B Director
Katherine Ralph	44	Class A Director
Eleni Vrettou	43	Class A Director

Petros Pappas, Chief Executive Officer and Director

Mr. Petros Pappas serves since July 2014 as our CEO and as a director on our Board of Directors. Mr. Pappas served from our inception up to July 2014 as our non-executive Chairman of the Board of Directors and director. He served as a member of our Board of Directors since its inception. Throughout his career as a principal and manager in the shipping industry, Mr. Pappas has been involved in hundreds of vessel acquisitions and disposals. In 1989, he founded Oceanbulk Maritime S.A., a dry cargo shipping company that has operated managed vessels aggregating as much as 1.6 million deadweight tons of cargo capacity. He also founded Oceanbulk Maritime S.A. affiliated companies, which are involved in the ownership and management sectors of the shipping industry. Mr. Pappas serves on the board of directors of the UK Defense Club, a leading insurance provider of legal defense services in the shipping industry worldwide and is a member of the Union of Greek Ship Owners (UGS). Mr. Pappas received his B.A. in Economics and his MBA from The University of Michigan, Ann Arbor. Mr. Pappas was awarded the 2014 Lloyd's List Greek Awards "Shipping Personality of the Year."

Spyros Capralos, Non-Executive Chairman and Director

Mr. Spyros Capralos serves since July 2014 as the Non-Executive Chairman of our Board of Directors and as a director. He is also the Chairman of the Compensation Committee. From February 2011 to July 2014, Mr. Capralos served as our Chief Executive Officer, President and director. Effective as of January 1, 2015, Mr. Capralos also serves as Chief Executive Officer of Oceanbulk Container Carriers LLC. From October 2004 to October 2010, Mr. Capralos served as Chairman of the Athens Exchange and Chief Executive Officer of the Hellenic Exchanges Group and for the period from 2008-2010 was also the President of the Federation of European Securities Exchanges. He was formerly Vice Chairman of the National Bank of Greece, Vice Chairman of Bulgarian Post Bank, Managing Director of the Bank of Athens and has a ten-year banking experience with Bankers Trust Company (now Deutsche Bank) in Paris, New York, Athens, Milan and London. He is the President of the Hellenic Olympic Committee (HOC), the President of the European Olympic Committees (EOC) and a member of the International Olympic Committee (IOC). Previously, he served as Secretary General of the Athens 2004 Olympic Games and Executive Director and Deputy Chief Operating Officer of the Organizing Committee for the Athens 2004 Olympic Games. He has been an Olympic athlete in water polo and has competed in the Moscow (1980) and the Los Angeles (1984) Olympic Games. He studied economics at the University of Athens and earned his Master Degree in Business Administration from INSEAD University in France.

Hamish Norton, President

Mr. Hamish Norton serves as our President. Until December 31, 2012, Mr. Norton was Managing Director and Global Head of the Maritime Group at Jefferies & Company Inc. Mr. Norton is known for creating Nordic American Tanker Shipping and Knightsbridge Tankers, the first two high dividend yield shipping companies. He advised Arlington Tankers in the merger with General Maritime and has been an advisor to U.S. Shipping Partners. He also advised New Mountain Capital on its investment in Intermarine. In the 1990s, he advised Frontline on the acquisition of London and Overseas Freighters and arranged the sale of Pacific Basin Bulk Shipping. Prior to joining Jefferies, in 2007, Mr. Norton ran the shipping practice at Bear Stearns since 2000. From 1984-1999 he worked at Lazard Frères & Co.; from 1995 onward as general partner and head of shipping. Mr. Norton is a director of Neptune Lines and the Safariland Group. Mr. Norton received an AB in Physics from Harvard and a Ph.D. in Physics from University of Chicago.

Simos Spyrou, Co-Chief Financial Officer

Mr. Simos Spyrou serves as our Co-Chief Financial Officer. Mr. Spyrou joined us as Deputy Chief Financial Officer in 2011 and was appointed Chief Financial Officer in September 2011. From 1997 to 2011, Mr. Spyrou worked at the Hellenic Exchanges (HELEX) Group, the public company which operates the Greek equities and derivatives exchange, the clearing house and the central securities depository. From 2005 to 2011, Mr. Spyrou held the position of Director of Strategic Planning, Communication and Investor Relations at the Hellenic Exchanges Group and he also served as a member of the Strategic Planning Committee of its board of directors. From 1997 to 2002, Mr. Spyrou was responsible for financial analysis at the research and technology arm of the Hellenic Exchanges Group. Mr. Spyrou attended the University of Oxford, receiving a degree in Mechanical Engineering and an MSc in Engineering, Economics & Management, specializing in finance. Following the completion of his studies at Oxford, he obtained a post graduate degree in Banking and Finance, from Athens University of Economics & Business.

Christos Begleris, Co-Chief Financial Officer

Mr. Christos Begleris serves as our Co-Chief Financial Officer since 2014. Until March 2013 he was a strategic project manager and senior finance executive at Thenamaris (Ships Management) Inc. From 2005 to 2006, Mr. Begleris worked in the principal investments group of London & Regional Properties based in London, where he was responsible for the origination and execution of large real estate acquisition projects throughout Europe. From 2002 to 2005, Mr. Begleris worked in the Fixed Income and Corporate Finance groups of Lehman Brothers based in London, where he was involved in privatization, restructuring, securitization, acquisition financing and principal investment projects in excess of $5.0 billion. In addition to his role at Star Bulk, Mr. Begleris is also an executive of Oceanbulk Maritime S.A. and is Co-Chief Financial Officer of Oceanbulk Maritime S.A.’s joint ventures with Oaktree. Mr. Begleris received an M.Eng. in Mechanical Engineering from Imperial College, London, and an MBA from Harvard Business School.

Nicos Rescos, Chief Operating Officer

Mr. Nicos Rescos serves as our Chief Operating Officer since July 2014. He also serves as Chief Operating Officer and Commercial Director of Oceanbulk Maritime S.A. since May 2010. Mr. Rescos has been actively involved in the shipping industry for the past 27 years having held several senior commercial management positions throughout his career developing strong expertise in the dry bulk, container and product tanker markets. He has been responsible for developing and executing more than 200 vessel acquisitions and dispositions as well as having structured several joint ventures in the dry bulk and tanker sectors. He received a BSc in Management Sciences from The University of Manchester Institute of Science and Technology (UMIST) and an MSc in Shipping Trade and Finance from the City University Business School.

Koert Erhardt, Director

Mr. Koert Erhardt has served as a director of our Board of Directors since our inception. He is also the Chairman of our Nominating and Corporate Governance Committee. He has served as the Managing Director of Augustea Bunge Maritime Ltd. of Malta. From 1998 to September 2004, Mr. Erhardt served as General Manager of Coeclerici Armatori S.p.A. and Coeclerici Logistics S.p.A., affiliates of the Coeclerici Group, where he created a shipping pool that commercially managed over 130 vessels with a carrying volume of 72 million tons and developed the use of the Freight Forward Agreement trading, which acts as a financial hedging mechanism for the pool. Prior to these positions, Mr. Erhardt served in various management positions in the shipping industry. Mr. Erhardt received his Diploma in Maritime Economics and Logistics from Hogere Havenen Vervoersschool (now Erasmus University), Rotterdam, and successfully completed the International Executive Program at INSEAD, Fontainebleau.

Mahesh Balakrishnan, Director

Mr. Mahesh Balakrishnan has served as a director on our Board of Directors since February 2015. Mr. Balakrishnan has extensive financial and business experience, as well as in depth knowledge of the dry bulk shipping industry. Until August 2019, Mr. Balakrishnan was a Managing Director in Oaktree's Opportunities Funds. He joined Oaktree in 2007 and focused on investing in the chemicals, energy, financial institutions, real estate and shipping sectors. Mr. Balakrishnan has worked with a number of Oaktree's portfolio companies and has served on the boards of STORE Capital Corp. (NYSE:STOR) and Momentive Performance Materials. He has been active on a number of creditors' committees, including ad hoc committees in the Lehman Brothers and LyondellBasell restructurings. Prior to Oaktree, Mr. Balakrishnan spent two years as an analyst in the Financial Sponsors & Leveraged Finance group at UBS Investment Bank. Mr. Balakrishnan graduated cum laude with a B.A. degree in Economics (Honors) from Yale University.

Nikolaos Karellis, Director

Mr. Nikolaos Karellis has served as a director of our Board of Directors since May 2016 and as Chairman of the Audit Committee since May 2020. Mr. Karellis is currently a Director of the advisory firm MARININVEST ADVISERS LTD and has more than 35 years of experience in the shipping sector in financial institutions. Until 2013, he served as the Head of Shipping of HSBC BANK PLC in Athens, Greece for 28 years, where he built a business unit providing a comprehensive range of services to Greek shipping companies. Prior to HSBC, he worked at Bank of America. Mr. Karellis received his MSc in Mechanical Engineering from the National Technical University of Athens and received an MBA in Finance from the Wharton School, University of Pennsylvania.

Arne Blystad, Director

Mr. Arne Blystad has served on our Board of Directors since July 2018. He is an independent investor located in Oslo, Norway. The Blystad Group, which is 100% owned and controlled by Mr. Arne Blystad and his immediate family, has a long history in international shipping. Mr. Blystad began, after high school, his career as a shipbroker in London and New York. He later started various ventures within the shipping and offshore drilling space. This has involved both private and public listed companies, where he has held various board and management positions over the years. The Blystad Group has investments in various shipping segments such as dry bulk, chemical tankers, container feeder and semi sub heavy-lift, real-estate and securities.

Raffaele Zagari, Director

Mr. Raffaele Zagari has served as director on our Board of Directors since August 2018. In his career he has developed approximately 25 years' experience in the shipping business. Since 2010, as CEO of Augustea Group Mr. Zagari engineered and implemented the expansion and consolidation of the dry bulk business that has led to the incorporation of Augustea Atlantica, and its subsidiaries in Argentina, Singapore, London and Malta ("Augustea Group"). He has actively promoted the incorporation of CBC, AOM, ABML and ABY, the joint ventures in which Augustea Atlantica is a shareholder. He founded the towage company Augustea Grancolombia in the Santa Marta area in Colombia and he has over the years worked closely with Drummond Coal and Glencore on their logistical/maritime needs for their local coal loading operations which have a combined 60 million tons yearly throughput. During this time he supervised in excess of 50 vessel sale and purchase transactions (both new building and second hand), and more than a dozen long-term ship leases primarily with the support of Japanese conglomerate Mitsui & Co. Since 1997, he has actively led the Chartering Department of Augustea Dry Bulk Division, and directing the other business of the Augustea Group. In 2017, Raffaele was appointed Chairman of Augustea Group Holding SpA, in addition to his role as the Group's CEO. He is also a non-executive director of Steamship Mutual, one of the largest P&I marine insurance, where he also chairs the Underwriting and Reinsurance Committee. Prior to joining Augustea, and for the period 1993-1995, Mr. Zagari worked for Blenheim Shipping (a company of the former Scinicariello Augustea Group) during which time he gained extensive experience in the Japanese shipyards, Sumitomo Yokuska and Sanoyas Mitsushima, as assistant site supervisor. In 1996 -1997, he worked at Zodiac Maritime Agencies with the operations department before joining the Augustea Group. Mr. Zagari holds a Diploma in Commercial Operation of Shipping at Guldhall University London.

Charis Plakantonaki, Chief Strategy Officer

Charis Plakantonaki joined Star Bulk in 2015 as Head of Strategic Planning and in 2017 she assumed the position of Chief Strategy Officer. From 2008 to 2015 she worked at Thenamaris (Ships Management) Inc., for the first five years as Strategic Projects Manager and subsequently as Head of Corporate Communications. Prior to joining Thenamaris, she was a Senior Consultant at the Boston Consulting Group where she managed strategy development projects for multinational companies across different industries. Mrs. Plakantonaki received a B.S. in International & European Economics & Politics from the University of Macedonia, where she graduated as valedictorian, and an MBA from INSEAD. She serves on the Board of the Liberian Shipowners' Council, and represents Star Bulk in the Global Maritime Forum and the Getting to Zero Coalition. She also serves on the Board of Trustees of the Anatolia College, on the Advisory Board of Blue Growth and on the Advisory Board of Seafair.

Brian Laibow, Director

Mr. Brian Laibow serves on our board of directors since January 2020. He is a Managing Director in Oaktree where he has worked since 2006 following graduation from Harvard Business School, where he received his M.B.A. Before attending Harvard, Mr. Laibow worked at Caltius Private Equity, a middle market LBO firm in Los Angeles, as a senior business analyst at McKinsey & Company, and as an investment banking intern at J.P. Morgan. Mr. Laibow graduated magna cum laude with a B.A. degree in economics from Dartmouth College and studied economics at Oxford University. He serves on the Dartmouth College endowment Investment Committee, Brentwood School Finance Committee, board of the Independent School Alliance for Minority Affairs and is a member of Young Presidents Organization (YPO).

Sherman Lau, Director

Mr. Sherman Lau is a senior vice president on the Distressed Opportunities team in Los Angeles. Prior to joining Oaktree in 2015, Mr. Lau spent two years as an investment banking analyst in the Financial Sponsors Group at Barclays. He received his B.B.A. degree with highest distinction in economics from the University of California, San Diego.

Katherine Ralph, Director

Ms. Katherine Ralph is a Managing Director in Oaktree Capital's Opportunities Funds based in London where she has worked since 2013. Prior to joining Oaktree, Ms. Ralph spent over nine years at Linklaters LLP, where she specialized in cross-border restructurings and insolvency. Ms. Ralph holds both a B.A. (hons) degree from the University of Cambridge, and graduated cum laude with an LL.M. in banking, corporate and finance law from Fordham University. Ms. Ralph is fluent in Italian.

Eleni Vrettou, Director

Mrs. Eleni Vrettou was the Executive General Manager and Group Head Corporate and Investment Banking of the Piraeus Bank Group, based in Athens, Greece until February 2022. In May 2022 she will commence her employment with LAMDA DEVELOPMENT as Chief Strategy and IR officer. Prior to her position with Piraeus Bank, she worked at HSBC Bank PLC ("HSBC") for ten years, where she had held various management positions in Greece and in London. In particular, for the period of 2012 to 2019, she was the Managing Director and head of Wholesale Banking in Greece for HSBC. Prior to 2012, and for three years, she worked in London, on an international secondment with HSBC, as Director of Global Banking Credit and Lending CEE/CIS/Med and sub Saharan Africa and, between 2005 to 2009, she was the Global Relationship Manager of HSBC, in Athens. Prior to HSBC, and for two years, she was Senior Credit Officer in BANK EFG -ERGASIAS S.A. Mrs. Vrettou holds a BSc in Economics from the Wharton School, University of Pennsylvania

B. Compensation of Directors and Senior Management

For the year ended December 31, 2021, aggregate compensation to our senior management was $2.4 million under the employment agreements. Non-employee directors of Star Bulk receive an annual cash retainer of $15,000, each. The chairman of the audit committee receives a fee of $15,000 per year and each of the audit committee members receives a fee of $7,500. Each chairman of our other standing committees receives an additional $5,000 per year. In addition, each director is reimbursed for out-of-pocket expenses in connection with attending meetings of the Board of Directors or committees. We do not have a retirement plan for our officers or directors. The aggregate compensation of the Board of Directors for the year ended December 31, 2021 was approximately $183,000.

Employment and Consultancy Agreements

We are a party to employment and consultancy agreements with certain members of our senior management team. For a description of these agreements, see "Item 7. Major Shareholders and Related Party Transactions—B. Related Party Transactions—Consultancy Agreements."

Equity Incentive Plans

On May 22, 2019, May 25, 2020 and June 7, 2021, our Board of Directors approved the 2019 Equity Incentive Plan (the "2019 Equity Incentive Plan"), the 2020 Equity Incentive Plan (the "2020 Equity Incentive Plan") and the 2021 Equity Incentive Plan (the "2021 Equity Incentive Plan") (collectively, the "Equity Incentive Plans"), respectively, under which our officers, key employees, directors, and consultants are eligible to receive options to acquire common shares, share appreciation rights, restricted shares and other share-based or share-denominated awards. We reserved a total of 900,000 common shares, 1,100,000 common shares and 515,000 common shares for issuance under the respective Equity Incentive Plans, subject to further adjustment for changes in capitalization as provided in the plans. The purpose of the Equity Incentive Plans is to encourage ownership of shares by, and to assist us in attracting, retaining and providing incentives to, our officers, key employees, directors and consultants, whose contributions to us are or may be important to our success and to align the interests of such persons with our shareholders. The various types of incentive awards that may be issued under the Equity Incentive Plans, enable us to respond to changes in compensation practices, tax laws, accounting regulations and the size and diversity of our business. The Equity Incentive Plans are administered by our compensation committee, or such other committee of our Board of Directors as may be designated by the board. The Equity Incentive Plans permit issuance of restricted shares, grants of options to purchase common shares, share appreciation rights, restricted shares, restricted share units and unrestricted shares.

Under the terms of the Equity Incentive Plans, share options and share appreciation rights granted under the Equity Incentive Plans will have an exercise price per common share equal to the fair market value of a common share on the date of grant, unless otherwise determined by the administrator of the Equity Incentive Plans, but in no event will the exercise price be less than the fair market value of a common share on the date of grant. Options and share appreciation rights are exercisable at times and under conditions as determined by the administrator of the Equity Incentive Plans, but in no event will they be exercisable later than ten years from the date of grant.

The administrator of the Equity Incentive Plans may grant restricted common shares and awards of restricted share units subject to vesting and forfeiture provisions and other terms and conditions as determined by the administrator of the Equity Incentive Plans. Upon the vesting of a restricted share unit, the award recipient will be paid an amount equal to the number of restricted share units that then vest multiplied by the fair market value of a common share on the date of vesting, which payment may be paid in the form of cash or common shares or a combination of both, as determined by the administrator of the Equity Incentive Plans. The administrator of the Equity Incentive Plans may grant dividend equivalents with respect to grants of restricted share units.

Adjustments may be made to outstanding awards in the event of a corporate transaction or change in capitalization or other extraordinary event. In the event of a "change in control" (as defined in the Equity Incentive Plans), unless otherwise provided by the administrator of the Equity Incentive Plans in an award agreement, awards then outstanding shall become fully vested and exercisable in full.

The Board of Directors may amend or terminate the Equity Incentive Plans and may amend outstanding awards, provided that no such amendment or termination may be made that would materially impair any rights, or materially increase any obligations, of a grantee under an outstanding award. Shareholders' approval of Equity Incentive Plans amendments may be required in certain definitive, pre-determined circumstances if required by applicable rules of a national securities exchange or the Commission. Unless terminated earlier by the Board of Directors, the Equity Incentive Plans will expire ten years from the date on which the Equity Incentive Plans were adopted by the Board of Directors.

The terms and conditions of the Equity Incentive Plans are substantially similar to those of the previous plans. As of February 16, 2022, there are 335,329 common shares unvested from the 2019, 2020 and 2021 Equity Incentive Plans.

During the years 2019, 2020 and 2021 and up to February 16, 2022, pursuant to the Equity Incentive Plans, we have granted to certain directors and officers the following securities:

- On May 22, 2019, 567,157 restricted common shares were granted to certain of the Company's directors and officers of which 367,620 restricted common shares vested in August 2019, 99,769 restricted common shares vested in August 2020 and the remaining 99,769 restricted common shares will vest in August 2022.

- On May 25, 2020, 714,540 restricted common shares were granted to certain of the Company's directors and officers of which 469,920 restricted common shares vested in August 2020, 122,310 restricted common shares vested in May 2021 and the remaining 122,310 restricted common shares vest in May 2023.

- On June 7, 2021, 226,500 restricted shares of common shares were granted to certain of the Company's directors and officers of which 113,250 restricted common shares vested in September 2021, 56,625 restricted common shares vest in June 2022 and the remaining 56,625 restricted common shares vest in June 2024.

On January 7, 2019, our Board of Directors and Compensation Committee established an incentive program for key employees, pursuant to which an aggregate of four million (4,000,000) restricted share units (each, a "RSU"), comprising of 10 tranches of 400,000 RSU each, would be issued. Each RSU would represent, upon vesting, a right for the relevant beneficiary to receive one common share of Star Bulk. The RSUs were subject to the satisfaction of certain performance conditions, which applied if our fleet performed better than relevant dry bulk charter rate indices as reported by the Baltic Exchange (the "Indices") during 2020 and 2021. The RSUs would start to vest if the Company's fleet performed better than the Indices by at least $120.0 million, and would vest in increasing amounts if and to the extent the performance of our fleet exceeded the performance that would have been derived based on the Indices by up to an aggregate of $300.0 million. Subject to the vesting conditions being met on April 30, 2021 and April 30, 2022 (each, a "Vesting Date") two million RSUs would vest on each Vesting Date, on tranches based on the level of performance, and the relevant common shares of Star Bulk would be issued by the Company and distributed to the relevant beneficiaries as per the allocation of the Board of Directors. Any non-vested RSUs at the applicable Vesting Date would be cancelled. As of December 31, 2019, we took the view that only for one tranche, which would vest on April 30, 2022, the likelihood of its vesting met the "more likely than not" threshold under US GAAP, and as a result amortization expense for these 400,000 RSUs of $1.2 million was recognized and included under "General and administrative expenses" in the consolidated statement of operations for the year ended December 31, 2019. During the year ended and as of December 31, 2020, we determined that the likelihood of vesting for any of the 4,000,000 RSUs did not meet a "more likely than not" threshold under US GAAP. As a result, the previously recognized expense of $1.2 million was reversed in 2020 and was included under "General and administrative expenses" in the consolidated statement of operations for the year ended December 31, 2020. On June 7, 2021, the Company's Board of Directors amended the previously announced incentive program. The test metrics for the calculation of the underlying shares of the RSUs that would have been issued, the tranches and the vesting variables were eliminated. Instead, the incentive program provides for the issuance of shares and links this management performance incentive scheme with the savings from the price differential between High Sulfur Fuel Oil / Low Sulfur Fuel Oil gained on the scrubber fitted vessels of the Company's fleet and is calculated on an annual basis ("Bunker benefit"). In particular, the threshold requirement above which the amended program is triggered is increased to $250 million of cumulative Bunker benefit (instead of the previous threshold of $120 million Index outperformance). Upon the satisfaction of the above new threshold, the Board of Directors shall award a percentage ranging between 5%-10%, at its discretion, of the annual Bunker Benefit, the value of which will be reflected in actual shares to key employees. The duration of the program was also extended from April 2022 to the end of 2024. We estimated the intrinsic value of the award basis December 31, 2021 VLSFO-HSFO spread and assuming 5% of scrubber savings to be awarded by our Board of Directors, and as a result an amount of $1.2 million was recognized and is included under "General and administrative expenses" in the consolidated statement of operations for the year ended December 31, 2021.

As of the date of this annual report, 94,764 common shares are available under the Equity Incentive Plans.

C. Board Practices

Our Board of Directors is divided into three classes with only one class of directors being elected in each year and following the initial term for each such class, each class will serve a three-year term. The term of each class of directors expires as follows:

- The term of the Class A directors expires in 2023;
- The term of the Class B directors expires in 2024; and
- The term of the Class C directors expires at the 2022 Annual General Meeting set for May 11, 2022.

Committees of the Board of Directors

Our audit committee which is currently comprised of two independent directors, is responsible for, among other things, (i) reviewing our accounting controls, (ii) making recommendations to the Board of Directors with respect to the engagement of our outside auditors and (iii) reviewing all related party transactions for potential conflicts of interest and all those related party transactions and subject to approval by our audit committee.

Our compensation committee, which is currently comprised of two independent directors, is responsible for, among other things, recommending to the Board of Directors our senior executive officers' compensation and benefits.

Our nominating and corporate governance committee, which is comprised of three independent directors, is responsible for, among other things, (i) recommending to the Board of Directors nominees for director and directors for appointment to committees of the Board of Directors, and (ii) advising the Board of Directors with regard to corporate governance practices.

Shareholders may also nominate directors in accordance with procedures set forth in Bylaws.

Our Audit Committee consists of Mr. Koert Erhardt and Mr. Nikolaos Karellis, who is the Chairman of the committee. Our Compensation Committee consists of Mr. Mahesh Balakrishnan and Mr. Spyros Capralos, who is the Chairman of the committee. Our Nominating Committee consists of Mr. Spyros Capralos, Mr. Brian Laibow and Mr. Koert Erhardt, who is the Chairman of the committee.

There are no service contracts between us and any of our directors providing for benefits upon termination of their employment or service.

D. Employees

As of December 31, 2021, we had 181 employees including our executive officers.

E. Share Ownership

With respect to the total amount of common shares owned by all of our officers and directors, individually and as a group, see "Item 7 Major Shareholders and Related Party Transactions."

F. Board Diversity Matrix

The table below provides certain information regarding the diversity of our Board of Directors as of the date of this annual report.

Board Diversity Matrix				
Country of Principal Executive Offices:	Greece			
Foreign Private Issuer	Yes			
Disclosure Prohibited under Home Country Law	No			
Total Number of Directors	11			
	Female	**Male**	**Non-Binary**	**Did Not Disclose Gender**
Part I: Gender Identity				
Directors	2	5	–	4
Part II: Demographic Background				
Underrepresented Individual in Home Country Jurisdiction	1			
LGBTQ+	–			
Did Not Disclose Demographic Background	5			

Item 7. Major Shareholders and Related Party Transactions

A. Major Shareholders

The following table presents certain information as of February 16, 2022, February 26, 2021 and February 29, 2020 regarding the ownership of our common shares with respect to each shareholder, who we know to beneficially own more than five percent of our outstanding common shares, and our executive officers and directors.

	Common Shares Beneficially Owned as of					
	February 16, 2022		February 26, 2021		February 29, 2020	
Beneficial Owner (1)	**Amount**	**Percentage**	**Amount**	**Percentage**	**Amount**	**Percentage**
Oaktree Capital Group Holdings GP, LLC and certain of its advisory clients (2)	26,021,457	25.4%	39,006,017	39.3%	35,129,436	36.6%
Fidelity Management & Research (3)	6,172,233	6.0%	n/a	n/a	n/a	n/a
Impala Asset Management LLC	n/a	n/a	n/a	n/a	5,622,913	5.9%
Entities affiliated with Raffaele Zagari	3,517,889	3.4%	4,448,060	4.5%	4,384,520	4.6%
Entities affiliated with Petros Pappas	3,632,168	3.6%	4,319,378	4.4%	4,096,718	4.3%
Entities affiliated with Arne Blystad	2,175,013	2.1%	2,159,505	2.2%	2,159,505	2.2%
Oceanbulk Container Carriers LLC	n/a	n/a	n/a	n/a	2,974,261	3.1%
Directors and executive officers of the Company, in the aggregate (4)	879,670	0.9%	1,522,925	1.5%	1,377,672	1.4%

(1) Percentage amounts based on 102,294,758 common shares outstanding as of February 16, 2022, 99,239,716 common shares outstanding as of February 26, 2021 and 96,074,497 common shares outstanding as of February 29, 2020.

(2) As of February, 16, 2022, consists of (i) 2,397,106 shares held by Oaktree Opportunities Fund IX Delaware, L.P. (“Fund IX”), (ii) 22,016 shares held by Oaktree Opportunities Fund IX (Parallel 2), L.P. (“Parallel 2”), (iii) 5,633,033 shares held by Oaktree Dry Bulk Holdings LLC (“Dry Bulk Holdings”), (iv) 14,966,826 shares held by OCM XL Holdings L.P., a Cayman Islands exempted limited partnership (“OCM XL”), (v) 2,974,261 shares held by Oaktree OBC Container Holdings LLC, a Marshall Island limited liability company (“Oaktree OBC”) and (vi) 28,215 shares held by OCM FIE, LLC (“FIE”). Each of the foregoing funds and entities is affiliated with Oaktree Capital Group, LLC (“OCG”) which is managed by its ten-member board of directors which is comprised of members appointed by each of Oaktree Capital Group Holdings GP, LLC and Brookfield Asset Management, Inc. Each of the direct and indirect general partners, managing members, directors, unit holders, shareholders, and members of VOF, Fund IX, Parallel 2, Dry Bulk Holdings, OCM XL, Oaktree OBC and FIE, may be deemed to share voting and dispositive power over the shares owned by such entities, but disclaims beneficial ownership in such shares except to the extent of any pecuniary interest therein. The address for these entities (collectively, the “Oaktree Funds”) is c/o Oaktree Capital Management, L.P., 333 South Grand Avenue, 28th Floor, Los Angeles, California 90071.

(3) Pursuant to SC 13G filing dated February 9, 2022

(4) These numbers of shares do not include shares beneficially owned by Messrs. Pappas, Blystad and Zagari, that are presented within line items “Entities affiliated with Petros Pappas”, “Entities affiliated with Arne Blystad” and “Entities affiliated with Raffaele Zagari”, respectively, above.

Our major shareholders, save for what is referred below, have the same voting rights as our other shareholders. No foreign government owns more than 50% of our outstanding common shares. We are not aware of any arrangements, the operation of which may at a subsequent date result in a change in control of Star Bulk.

Even if Oaktree owns more than 50% of our outstanding common shares, under the Oaktree Shareholders Agreement (described in "Item 7. Major Shareholders and Related Party Transactions—B. Related Party Transactions"), with certain limited exceptions, Oaktree effectively cannot vote more than 33% of our outstanding common shares (subject to adjustment under certain circumstances). Furthermore, pursuant to the Oaktree Shareholders Agreement, so long as Oaktree and its affiliates beneficially own at least 10% of our outstanding voting securities, Oaktree and its affiliates have agreed not to directly or indirectly acquire beneficial ownership of any additional voting securities of ours or other equity-linked or other derivative securities with respect to our voting securities if such acquisition would result in Oaktree's beneficial ownership exceeding 63.8%, subject to certain specified exceptions. In addition, pursuant to the Oaktree Shareholders Agreement, subject to various exclusions, so long as Oaktree and its affiliates beneficially own at least 10% of our voting securities, unless specifically invited in writing by our Board of Directors, they may not (i) enter into any tender or exchange offer or various types of merger, business combination, restructuring or extraordinary transactions, (ii) solicit proxies or consents in respect of such transactions, (iii) otherwise act to seek to control or influence our management, Board of Directors or other policies (except with respect to the nomination of Oaktree designees pursuant to the Oaktree Shareholders Agreement and other nominees proposed by the Nominating and Corporate Governance Committee) or (iv) enter into any negotiations, arrangements or understandings with any third party with respect to any of the above. Pursuant to the Oaktree Shareholders Agreement, Oaktree also agreed to various limitations on the transfer of its common shares.

In addition, we have granted certain demand registration rights and shelf registration rights to Oaktree, affiliates of Mr. Petros Pappas, York and Augustea pursuant to the Registration Rights Agreement. See "See "Item 7. Major Shareholders and Related Party Transactions—B. Related Party Transactions—Registration Rights Agreement."

As of February 16, 2022, 102,294,758 of our outstanding common shares were held in the United States by 309 holders of record, including Cede & Co., the nominee for the Depository Trust Company, which held 83,780,743 of those shares.

B. Related Party Transactions

For a description of all of our Related Party Transactions, see also Note 3 (Transaction with Related Parties) to our consolidated financial statements included herein for more information.

Transactions with Oceanbulk Maritime S.A. and affiliates

Oceanbulk Maritime S.A., a related party, is a ship management company and is controlled by Ms. Milena-Maria Pappas. One of the affiliated companies of Oceanbulk Maritime S.A provides us certain financial corporate development services. The related expenses for each of the years ended December 31, 2019, 2020 and 2021 were $0.3 million, and are included in General and administrative expenses in the consolidated statements of operations. As of December 31, 2020 and 2021, we had outstanding receivables of $0.4 million and $0.1 million, respectively, from Oceanbulk Maritime S.A and its affiliates for payments made by us on its behalf for certain administrative items.

Consultancy Agreements

During the years ended December 31, 2019, 2020 and 2021 and as of December 31, 2021, we were a party to three consultancy agreements in each case with a separate company owned and controlled by either of Mr. Simos Spyrou, our Co-Chief Financial Officer, Mr. Christos Begleris, our Co-Chief Financial Officer and Mr. Nicos Rescos, our Chief Operating Officer. Pursuant to each of these consultancy agreements, we are required to pay an aggregate base fee of $0.5 million per annum to these three companies. Additionally pursuant to these agreements, these entities are entitled to receive an annual discretionary bonus, as determined by our Board of Directors in its sole discretion. In addition, non-employee directors of the Board of Directors receive an annual cash retainer of $15,000, each, the chairman of the audit committee receives a fee of $15,000 per year and each of the audit committee members receives a fee of $7,500. Lastly, each chairman of the other standing committees receives an additional $5,000 per year while each director is reimbursed for out-of-pocket expenses in connection with attending meetings of the Board of Directors or committees.

In aggregate, the related expenses under the consultancy agreements for 2019, 2020 and 2021 were $0.7 million, $0.6 million and $0.5 million, respectively, and are included in General and administrative expenses in the consolidated statements of operations.

Office Lease Agreements

On January 1, 2012, Starbulk S.A. entered into a lease agreement for office space with Combine Marine Ltd., or Combine Ltd., a company controlled by Mrs. Milena-Maria Pappas and by Mr. Alexandros Pappas, both of whom children of our Chief Executive Officer, Mr. Petros Pappas. The lease agreement provides for a monthly rental of €2,500 (approximately $2,850, using the exchange rate as of December 31, 2021, which was $1.14 per euro). Unless terminated by either party, the agreement will expire in January 2024.

In addition, on December 21, 2016, Starbulk S.A., entered into a six year lease agreement for office space with Alma Properties, a company controlled by Mrs. Milena-Maria Pappas. The lease agreement provides for a monthly rental of €300 (approximately $342, using the exchange rate as of December 31, 2021, which was $1.14 per euro).

Interchart Shipping Inc.

Interchart is a Liberian company affiliated with family members of our Chief Executive Officer. In 2014, we acquired 33% of the total outstanding common stock of Interchart. The ownership interest was purchased from an entity affiliated with family members of our Chief Executive Officer. This investment is accounted for as an equity method investment and is presented within "Long term investment" in the consolidated balance sheets. We entered into a services agreement with Interchart for chartering, brokering and commercial services for all of our vessels which from August 1, 2019 until October 1, 2021 provided for a monthly fee of $315,000 ($325,000 monthly fee for the remaining period in 2019) and then amended to increase the monthly fee to $345,000 until December 31, 2021. During the years ended December 31, 2019, 2020 and 2021, the brokerage commission charged by Interchart amounted to $3.9 million, $3.8 million and $3.9 million, respectively, and is included in "Voyage expenses" in the consolidated statements of operations.

Sydelle Marine Ltd.

During 2019 and 2020, we entered into certain freight agreements with Sydelle Marine Limited, a company controlled by members of the family of our Chief Executive Officer, to charter-in its vessel. The total charter-in expense for the aforementioned freight agreements during the years ended December 31, 2019 and 2020 was $5.5 million and $0.5 million, respectively, and is included in "Charter-in hire expenses" in the consolidated statements of operations.

StarOcean Manning Philippines Inc.

We have 25% ownership interest in StarOcean Manning Philippines, Inc. ("StarOcean"), a company that is incorporated and registered with the Philippine Securities and Exchange Commission, which provides crewing agency services. The remaining 75% interest is held by local entrepreneurs. This investment is accounted for as an equity method investment which as of December 31, 2020 and 2021 stands at $0.1 million and $0.2 million, respectively, and is included within "Long term investment" in the consolidated balance sheet.

Songa Shipmanagement Ltd.:

Following the completion of the acquisition of 15 operating dry bulk vessels from Songa in July 2018, we appointed Songa Shipmanagement Ltd., an entity affiliated with certain of the sellers of the Songa Vessels (including one of our directors, Mr. Blystad), as the technical manager of certain of our vessels. The respective management agreement was terminated on March 31, 2019 and the management fees incurred for the period January 1, 2019 until March 31, 2019 were $0.03 million, included in "Management fees" in the consolidated statements of operations.

Augustea Technoservices Ltd. and affiliates

Following the completion of the acquisition of 16 operating dry bulk vessels from Augustea and York in 2018, we appointed Augustea Technoservices Ltd., an entity affiliated with certain of the sellers of the Augustea Vessels (including one of our directors, Mr. Zagari), as the technical manager of certain of our vessels. The management fees incurred for the years ended December 31, 2019, 2020 and 2021 were $6.6 million, $6.6 million and $6.5 million, respectively, and are included in "Management fees" in the consolidated statements of operations. In addition, for the years ended December 31, 2020 and 2021, $0.1 million and $0.2 million, respectively, were invoiced by Augustea Technoservices Ltd. and its affiliates, concerning voyage expenses. As of December 31, 2020 and 2021, we had outstanding payables of $1.2 million and $0.9 million, respectively, to Augustea Technoservices Ltd. and its affiliates.

Iblea Ship Management Limited

In 2021, we appointed Iblea Ship Management Limited, an entity affiliated with one of our directors, Mr. Zagari, to provide certain management services to certain vessels, which were previously managed by Augustea Technoservices Ltd. The management fees incurred for the year ended December 31, 2021 were $0.1 million and are included in "Management fees" in the consolidated statements of operations. As of December 31, 2021, we had outstanding payable of $0.4 million to Iblea Ship Management Limited.

Augustea Oceanbulk Maritime Malta Ltd. ("AOM")

On September 24, 2019, we chartered-in the vessel *AOM Marta*, which is owned by AOM, an entity affiliated with Augustea Atlantica SpA and certain members of our Board of Directors. The agreed rate for chartering-in *AOM Marta* was index-linked, and the vessel was redelivered to her owners on June 8, 2021. The charter-in expense for the years ended December 31, 2019, 2020 and 2021 was $2.6 million, $5.4 million and $4.1 million, respectively, and is included in "Charter-in hire expenses" in the consolidated statement of operations.

Coromel Maritime Limited

During 2019 and 2020, we entered into certain freight agreements with ship-owning company Coromel to charter-in its vessel. Coromel is controlled by family members of our Chief Executive Officer. The charter-in expense for the aforementioned freight agreement during the years ended December 31, 2019 and 2020 was $5.7 million and $0.2 million, respectively, and is included in "Charter-in hire expenses" in the consolidated statements of operations.

Eagle Bulk Pte. Ltd.:

In 2019, we entered into two time charter agreements with Eagle Bulk Pte. Ltd. to charter-in two of its vessels for a daily rate of $16,300 and $15,800 respectively, for a period of approximately two months for each vessel. Eagle Bulk Pte. Ltd. is related to Oaktree, one of our major shareholders. As of December 31, 2019, both the aforementioned time charter agreements have been completed. The aggregate charter-in expense for the aforementioned time charter agreements during the year ended December 31, 2019 was $1.9 million and is included in "Charter-in hire expenses" in the consolidated statement of operations. In addition, in 2021 Eagle Bulk Pte. Ltd. chartered one of our vessels for a daily rate of $39,250 with the vessel having been redelivered to us before year end. The aggregate revenue from the aforementioned time charter agreement during the year ended December 31, 2021 was $1.5 million and is included in "Voyage Revenues" in the consolidated statement of operations. No amount was due from Eagle Bulk Pte. Ltd. as of December 31, 2021.

Short Pool Contracts of Affreightment

During the second quarter of 2020, we agreed, together with Golden Ocean Group, Bocimar International NV and Oceanbulk International S.A (collectively the "Short Pool Members"), to enter into Contracts of Affreightment ("COAs") with major miners and commodity traders to transport dry bulk commodities at fixed freight rates (the "Short Pool"). The Short Pool Members may use own vessels or charter-in from the market to perform the COAs.

Piraeus Bank

In July 2020, we entered into a loan agreement with Piraeus Bank for a loan of up to $50.4 million. In addition, during 2020 the Company entered into an interest rate swap agreement with Piraeus bank. Both the loan agreement and the interest swap agreement with Piraeus Bank were early terminated in September 2021. One of our independent members of the Board of Directors at that time was serving as executive member of this financial institution. This director was not involved in our decisions with regards to the loan and swap from this financial institution.

CCL Pool

On December 30, 2020 a funding of $0.1 million that we had provided CCL Pool, was converted to equity with us holding 25% ownership interest of CCL Pool. The participation to CCL is accounted for as an equity method investment. Our initial investment of $0.1 million in CCL Pool is presented within "Long term investment" in the consolidated balance sheet as of December 31, 2021. Our subsequent share of results in CCL Pool is insignificant at December 31, 2020 and 2021.

Hartree Partners LP

During the year ended December 31, 2021 we acquired bunkers from Hartree Partners, LP, an entity controlled by Oaktree Capital Management LP, our largest shareholder and an amount of $9.6 million was incurred and was included in "Voyage expenses" in the consolidated statement of operations.

Oaktree Shareholders Agreement

The following is a summary of the material terms of the Oaktree Shareholders Agreement. Capitalized terms that are used in this description of the Oaktree Shareholders Agreement but not otherwise defined below have the meanings ascribed to them under the caption, "Certain Definitions."

General

The Oaktree Shareholders Agreement was entered into on the date the Merger was completed (July 11, 2014) and governs the ownership interest of Oaktree and its affiliated investment funds that own Common Shares (and any Affiliates (as defined below) of the foregoing persons that become Oaktree Shareholders pursuant to a transfer or other acquisition of our Equity Securities (as defined below) in accordance with the terms of the Oaktree Shareholders Agreement, collectively, the "Oaktree Shareholders") following the Merger. Based on the number of our outstanding common shares on February 16, 2022, the Oaktree Shareholders beneficially own approximately 25.4% of the common shares outstanding of the Company as of that date.

Representation on the Board of Directors

Our Board of Directors is comprised of eleven Directors.

The Oaktree Shareholders are entitled to nominate four (but in no event more than four) Directors (each such nominee, including the persons designated at the closing of the Merger as described in the preceding paragraph the "Oaktree Designees") to the Board of Directors for so long as the Oaktree Shareholders and their Affiliates in the aggregate beneficially own (for purposes of the Oaktree Shareholders Agreement and this summary, as such term is defined in Rule 13d-3 under the Securities Exchange Act of 1934) 40% or more of our outstanding Voting Securities. We refer to such nominees, as described in the immediately preceding sentence, including the persons designated at the closing of the Merger, as the Oaktree Designees. During any period the Oaktree Shareholders are entitled to nominate four Directors pursuant to the Oaktree Shareholders Agreement: (i) if Mr. Petros Pappas is then serving as our Chief Executive Officer and as a Director, then the Oaktree Shareholders are entitled to nominate only three Directors and (ii) at least one of the Oaktree Designees will not be a citizen or resident of the United States solely to the extent that (x) at least one of the nominees to the Board of Directors (other than the Oaktree Designees) is a United States citizen or resident and (y) as a result, we would not qualify as a "foreign private issuer" under Rule 405 under the Securities Act and Rule 3b-4(c) under the Exchange Act if such Oaktree Designee is a citizen or resident of the United States.

The Oaktree Shareholders are entitled to nominate three directors, two directors and one director to the Board of Directors for so long as the Oaktree Shareholders and their Affiliates beneficially own 25% or more, but less than 40% of the outstanding Voting Securities, own 15% or more, but less than 25% of the outstanding Voting Securities and own 5% or more, but less than 15% of our outstanding Voting Securities, respectively. The directors currently designated by Oaktree are Mr. Laibow, Mr. Lau and Mrs. Ralph.

We have also agreed to establish and maintain an audit committee (the "Audit Committee"), a compensation committee (the "Compensation Committee") and a nominating and corporate governance committee (the "Nominating and Corporate Governance Committee"), as well as such other Board of Directors committees as the board of directors deems appropriate from time to time or as may be required by applicable law or the rules of Nasdaq (or other stock exchange or securities market on which the Common Shares are at any time listed or quoted). The committees will have such duties and responsibilities as are customary for such committees, subject to the provisions of the Oaktree Shareholders Agreement.

The Audit Committee, the Compensation Committee and the Nominating and Corporate Governance Committee will consist of at least three Directors, with the number of members determined by the Board of Directors; provided, however, that for so long as the Oaktree Shareholders and their Affiliates in the aggregate beneficially own 15% or more of our outstanding Voting Securities, the Compensation Committee and the Nominating and Corporate Governance Committee will consist of three members each, and the Oaktree Shareholders are entitled to include one Oaktree Designee on each such Committee.

The Board of Directors will appoint individuals selected by the Nominating and Corporate Governance Committee to fill the positions on the committees of the Board of Directors that are not required to be filled by Oaktree Designees. See "Item 6. Directors and Senior Management."

Directors serve on the board until their resignation or removal or until their successors are nominated and appointed or elected; provided, that if the number of Directors that the Oaktree Shareholders are entitled to nominate pursuant to the Oaktree Shareholders Agreement is reduced by one or more Directors, then the Oaktree Shareholders shall, within 5 business days, cause such number of Oaktree Designees then serving on the Board of Directors to resign from the Board of Directors as is necessary so that the remaining number of Oaktree Designees then serving on the Board of Directors is less than or equal to the number of Directors that the Oaktree Shareholders are then entitled to nominate. However, no such resignation will be required if a majority of the Directors then in office (other than the Oaktree Designees) provides written notification to the Oaktree Shareholders within such 5-business day period that such resignation will not be required.

If any Oaktree Designee serving as a Director dies or is unwilling or unable to serve as such or is otherwise removed or resigns from office, then the Oaktree Shareholders can promptly nominate a successor to such Director (to the extent they are still entitled to pursuant to the Oaktree Shareholders Agreement). We have agreed to take all actions necessary in order to ensure that such successor is appointed or elected to the Board of Directors as promptly as practicable. If the Oaktree Shareholders are not entitled to nominate any vacant Director position(s), we and the Board of Directors will fill such vacant Director position(s) with an individual(s) selected by the Nominating and Corporate Governance Committee.

Voting

Except with respect to any Excluded Matter (as defined below), at any meeting of our shareholders, Oaktree Shareholders have agreed to (and have agreed to cause their Affiliates to) vote, or cause to be voted, or exercise their rights to consent (or cause their rights to consent to be exercised) with respect to, all our Voting Securities beneficially owned by them (and which are entitled to vote on such matter) in excess of the Voting Cap as of the record date for the determination of our shareholders entitled to vote or consent to such matter, with respect to each matter on which our shareholders are entitled to vote or consent, in the same proportion (for or against) as our Voting Securities that are owned by shareholders (other than an Oaktree Shareholder, any of their Affiliates or any Group (for purposes of the Oaktree Shareholders Agreement and this summary, as such term is defined in Section 13(d)(3) of the Exchange Act), which includes any of the foregoing) are voted or consents are given with respect to each such matter.

In any election of directors to the Board of Directors, except with respect to an election of Directors to the Board of Directors where one or more members of the slate of nominees put forward by the Nominating and Corporate Governance Committee is being opposed by one or more competing nominees (a "Contested Election"), the Oaktree Shareholders have agreed to (and have agreed to cause their Affiliates to) vote, or cause to be voted, or exercise their rights to consent (or cause their rights to consent to be exercised) with respect to, all our shares beneficially owned by them (and which are entitled to vote on such matter) in favor of the slate of nominees approved by the Nominating and Corporate Governance Committee.

In the case of a Contested Election, Oaktree Shareholders have agreed to (and have agreed to cause their Affiliates to) vote, or cause to be voted, or exercise their rights to consent (or cause their rights to consent to be exercised) with respect to, all shares beneficially owned by them in excess of the Voting Cap in the same proportion (for or against) as all of our shares that are owned by our other shareholders (other than the Oaktree Shareholders, any of their Affiliates or any Group which includes any of the foregoing) are voted or consents are given with respect to such Contested Election.

For so long as the Oaktree Shareholders and their affiliates in the aggregate beneficially own at least 33% of the outstanding Voting Securities of the Company, without the prior written consent of Oaktree, we and the Board of Directors have agreed not to, directly or indirectly (whether by merger, consolidation or otherwise), (i) issue Preferred Shares or any other class or series of our Equity Interests that ranks senior to the shares as to dividend distributions and/or distributions upon the liquidation, winding up or dissolution of the Company or any other circumstances, (ii) issue Equity Securities to a person or Group, if, after giving effect to such transaction, such issuance would result in such Person or Group beneficially owning more than 20% of our outstanding Equity Securities (except that we and the Board of Directors retain the right to issue Equity Securities in connection with a merger or other business combination transaction with the consent of the Oaktree Shareholders), or (iii) issue any Equity Securities of any of our subsidiaries (other than to the Company or a wholly-owned subsidiary of the Company). During the 18 months following the closing date, which period has now expired, we and the board also agreed not to terminate the Chief Executive Officer or any other of our officers set forth in the Oaktree Shareholders Agreement, except if such termination were to have been for Cause (as defined in our 2014 Equity Incentive Plan).

Standstill Restrictions

For so long as the Oaktree Shareholders and their Affiliates in the aggregate beneficially own at least 10% of our outstanding Voting Securities, the Oaktree Shareholders and their Affiliates have agreed not to, directly or indirectly, acquire (i) the beneficial ownership of any additional of our Voting Securities, (ii) the beneficial ownership of any other of our Equity Securities that derive their value from any of our Voting Securities or (iii) any rights, options or other derivative securities or contracts or instruments to acquire such beneficial ownership that derive their value from such Voting Securities or other Equity Securities, in each case of clauses (i), (ii) and (iii), if, immediately after giving effect to any such acquisition, Oaktree Shareholders and their Affiliates would beneficially own in the aggregate more than a percentage of our outstanding Voting Securities equal to (A) the Oaktree Shareholders' ownership percentage of our Voting Securities immediately after the closing of the Merger (i.e., approximately 61.3%) plus (B) 2.5%.

The foregoing restrictions do not apply to participation by the Oaktree Shareholders or their Affiliates in: (i) pro rata primary offerings of our Equity Securities based on number of outstanding Voting Securities held or (ii) acquisitions of our Equity Securities that have received Disinterested Director Approval (as defined below).

For so long as the Oaktree Shareholders and their Affiliates in the aggregate beneficially own at least 10% of our Voting Securities, unless specifically invited in writing by the Board of Directors (with Disinterested Director Approval), neither Oaktree nor any of their Affiliates will in any manner, directly or indirectly, (i) enter into any tender or exchange offer, merger, acquisition transaction or other business combination or any recapitalization, restructuring, liquidation, dissolution or other extraordinary transaction involving the Company, (ii) make, or in any way participate in, directly or indirectly, any "solicitation" of "proxies," "consents" or "authorizations" (as such terms are used in the proxy rules of the Commission promulgated under the Exchange Act) to vote, or seek to influence any person other than the Oaktree Shareholders with respect to the voting of, any of our Voting Securities (other than with respect to the nomination of the Oaktree Designees and any other nominees proposed by the Nominating and Corporate Governance Committee), (iii) otherwise act, alone or in concert with third parties, to seek to control or influence the management, Board of Directors or policies of the Company or any of its Subsidiaries (other than with respect to the nomination of the Oaktree Designees and any other nominees proposed by the Nominating and Corporate Governance Committee), or (iv) enter into any negotiations, arrangements or understandings with any third party with respect to any of the foregoing activities.

However, if (i) we publicly announce our intent to pursue a tender offer, merger, sale of all or substantially all of our assets or any similar transaction, which in each such case would result in a Change of Control Transaction, or any recapitalization, restructuring, liquidation, dissolution or other extraordinary transaction involving the Company and its subsidiaries, taken as a whole, then the Oaktree Shareholders are permitted to privately make an offer or proposal to the Board of Directors and (ii) if the Board of Directors approves, recommends or accepts a buyout transaction with an Unaffiliated Buyer, the restrictions of the Oaktree Shareholders' participation in such transaction will cease to apply, except that any such actions must be discontinued upon the termination or abandonment of the applicable buyout transaction (unless the Board of Directors determines otherwise with Disinterested Director Approval).

Limitations on Transfer; No Control Premium

For so long as Oaktree and their Affiliates in the aggregate beneficially own at least 10% of our Voting Securities, the Oaktree Shareholders and their Affiliates have agreed not to sell any of their Common Shares to a person or group that, after giving effect to such transaction, would hold more than 20% of our outstanding Equity Securities. Notwithstanding the foregoing, the Oaktree and their Affiliates may sell their shares in the Company to any person or Group pursuant to:

- sales that have received Disinterested Director Approval;
- a tender offer or exchange offer, by an Unaffiliated Buyer, that is made to all of our shareholders, so long as such offer would not result in a Change of Control Transaction, unless the consummation of such Change of Control Transaction has received Disinterested Director Approval;
- transfers to an Affiliate of the Oaktree Shareholders that is an investment fund or managed account in accordance with the Oaktree Shareholders Agreement; and
- sales in the open market (including sales conducted by a third-party underwriter, initial purchaser or broker-dealer) in which the Oaktree Shareholder or their Affiliates do not know (and would not in the exercise of reasonable commercial efforts be able to determine) the identity of the purchaser.

For so long as the Oaktree Shareholders and their Affiliates in the aggregate beneficially own at least 10% of our Voting Securities, neither the Oaktree Shareholders nor any of their Affiliates will sell or otherwise dispose of any of their Common Shares in any Change of Control Transaction unless our other shareholders of the Company are entitled to receive the same consideration per Common Share (with respect to the form of consideration and price), and at substantially the same time, as the Oaktree Shareholders or their Affiliates with respect to their Common Shares in such transaction.

Other Agreements

For so long as the Oaktree Shareholders are entitled to nominate at least one Director, all transactions involving the Oaktree Shareholders or their Affiliates, on the one hand, and the Company or its subsidiaries, on the other hand, will require Disinterested Director Approval; provided, that Disinterested Director Approval will not be required for (a) pro rata participation in primary offerings of our Equity Securities based on number of outstanding Voting Securities held, (b) arms-length ordinary course business transactions of not more than $5 million in the aggregate per year with portfolio companies of the Oaktree Shareholders or investment funds or accounts Affiliated with the Oaktree Shareholders or (c) the transactions expressly required or expressly permitted under the merger agreement relating to Heron, the Registration Rights Agreement and the Oaktree Shareholders Agreement.

We have also agreed to waive (on behalf of itself and its subsidiaries) the application of the doctrine of corporate opportunity, or any other analogous doctrine, with respect to the Company and its subsidiaries, to the Oaktree Designees, to any of the Oaktree Shareholders or to any of the respective Affiliates of the Oaktree Designees or any of the Oaktree Shareholders. None of the Oaktree Designees, any Oaktree Shareholder or any of their respective Affiliates has any obligation to refrain from (i) engaging in the same or similar activities or lines of business as the Company or any of its subsidiaries or developing or marketing any products or services that compete, directly or indirectly, with those of the Company or any of its subsidiaries, (ii) investing or owning any interest publicly or privately in, or developing a business relationship with, any Person engaged in the same or similar activities or lines of business as, or otherwise in competition with, the Company or any of its subsidiaries or (iii) doing business with any client or customer of the Company or any of its subsidiaries (each of the activities referred to in clauses (i), (ii) and (iii), a "Specified Activity"). We (on behalf of the Company and its subsidiaries) have agreed to renounce any interest or expectancy in, or in being offered an opportunity to participate in, any Specified Activity that may be presented to or become known to any Oaktree Shareholder or any of its Affiliates. However, if and to the extent that from time to time after the closing of the Merger Mr. Petros Pappas may be considered an Affiliate of any Oaktree Shareholder, the foregoing waivers do not apply to Mr. Petros Pappas, and any provisions governing corporate opportunities set forth in the Pappas Shareholders Agreement with respect to Mr. Petros Pappas and/or any employment or services agreement between the Company and Mr. Petros Pappas control.

Certain Exclusions

The restrictions described in "Voting," "Standstill Restrictions" and "Limitations on Transfer; No Control Premium" of this summary do not apply to portfolio companies of the Oaktree Shareholders or their Affiliates unless Oaktree (or its successor) possesses at least 50% of the voting power of such portfolio companies or an action of such portfolio company is taken at the express request or direction of, or in coordination with, an Oaktree Shareholder or its affiliate investment funds.

We have agreed to acknowledge that the Oaktree Shareholders have made investments and entered into business arrangements with Mr. Petros Pappas, his immediate family and certain affiliates thereof (immediately prior to the Merger) or their respective Affiliates (collectively, the "Pappas Investors") outside those subject to the Merger, and may from time to time enter into certain agreements with respect to the holding and/or disposition of Equity Securities of the Company. For purposes of the Oaktree Shareholders Agreement, these arrangements and potential future agreements between the Oaktree Shareholders or their Affiliates, on the one hand, and the Pappas Investors, on the other hand, will not cause (i) any Oaktree Shareholder to be deemed to be an Affiliate of, or constitute a group or beneficially own any Equity Securities of the Company beneficially owned by, the Pappas Investors, or (ii) the Equity Securities of the Company held by the Pappas Investors to be deemed to be subject to the provisions of the Oaktree Shareholders Agreement.

Certain Definitions

For purposes of this description of the Oaktree Shareholders Agreement, the following definitions apply:

"Affiliate" means, with respect to any Person, another Person that directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, such first Person, where "control" for purposes of this definition means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ownership of voting securities, by contract, as trustee or executor or otherwise.

"Change of Control Transaction" means (a) any acquisition, in one or more related transactions, by any Person or Group, whether by transfer of Equity Securities, merger, consolidation, amalgamation, recapitalization or equity sale (including a sale of securities by the Company) or otherwise, which has the effect of the direct or indirect acquisition by such Person or Group of the Majority Voting Power in the Company; or (b) any acquisition by any Person or Group directly or indirectly, in one or more related transactions, of all or substantially all of the consolidated assets of the Company and its subsidiaries (which may include, for the avoidance of doubt, the sale or issuance of Equity Securities of one or more subsidiaries of the Company).

"Common Shares" means the shares of common stock, par value $0.01 per share, of the Company, or any other capital stock of the Company or any other Person into which such stock is reclassified or reconstituted (whether by merger, consolidation or otherwise) (as adjusted for any stock splits, stock dividends, subdivisions, recapitalizations and the like).

"Company" means Star Bulk Carriers Corp.

"Disinterested Director Approval" means, with respect to any transaction or conduct requiring such approval pursuant to this Agreement, the approval of a majority of the Disinterested Directors with respect to such transaction or conduct (and the quorum requirements set forth in the charter or bylaws of the Company shall be reduced to exclude any Directors that are not Disinterested Directors for purposes of such approval).

"Disinterested Directors" means any Directors who (a) are not Oaktree Designees and (b) do not have any material business, financial or familial relationship with a party (other than the Company or its subsidiaries) to the transaction or conduct that is the subject of the approval being sought. Notwithstanding the foregoing, Petros Pappas shall not constitute an Oaktree Designee (other than for purposes of the election of directors, the standstill obligations and the transfer limitations applicable to the Oaktree Shareholders and their Affiliates), and the existing agreements and potential future arrangements with respect to the holding and/or disposition of Equity Securities between the Pappas Investors and the Oaktree Shareholders shall not disqualify Petros Pappas or other Pappas Investors from constituting a Disinterested Director for purposes of this Agreement (with certain exceptions).

"Equity Securities" means, with respect to any entity, all forms of equity securities in such entity or any successor of such entity (however designated, whether voting or non-voting), all securities convertible into or exchangeable or exercisable for such equity securities, and all warrants, options or other rights to purchase or acquire from such entity or any successor of such entity, such equity securities, or securities convertible into or exchangeable or exercisable for such equity securities, including, with respect to the Company, the Common Shares and Preferred Shares.

"Excluded Matter" includes each of the following:

(a) any vote of the shareholders in connection with a Change of Control Transaction with an Unaffiliated Buyer; provided, however, that if the Oaktree Shareholders or their Affiliates are voting in support of such Change of Control Transaction, then such vote shall constitute an Excluded Matter only if such Change of Control Transaction has received the Disinterested Director Approval; and

(b) any vote of the shareholders in connection with (i) an amendment to the charter or bylaws of the Company or (ii) the dissolution of the Company; provided, however, that if the Oaktree Shareholders or their Affiliates are voting in support of such matter in either case, then such vote shall constitute an Excluded Matter only if such matter has received the Disinterested Director Approval.

"Majority Voting Power" means, with respect to any Person, either (a) the power to elect or direct the election of a majority of the Board of Directors or other similar body of such Person or (b) direct or indirect beneficial ownership of Equity Securities representing more than 39% of the Voting Securities of such Person.

"Other Large Holder" means, with respect to any matter in which the shareholders are entitled to vote or consent, any Person or Group that is not an Oaktree Shareholder, an Affiliate of an Oaktree Shareholder or a Group that includes any of the foregoing; provided, however, that if the Oaktree Shareholders, on the one hand, and the Pappas Investors, on the other hand, are entitled to vote on or consent to such matter and a majority of the Voting Securities held by the Pappas Investors are voting on or consenting to such matter in the same manner as a majority of the Voting Securities held by the Oaktree Shareholders (i.e., both positions of Voting Securities are "for" or both positions of Voting Securities are "against"), then an "Other Large Holder" shall mean any Person or Group that is not an Oaktree Shareholder, a Pappas Investor, an Affiliate of either of the foregoing or a Group that includes any of the foregoing.

"Other Large Holder Effective Voting Percentage" means, with respect to an Other Large Holder as of the record date for the determination of shareholders entitled to vote or consent to any matter, the ratio (expressed as a percentage) of (a) the sum of (i) the number of Voting Securities of the Company beneficially owned by such Other Large Holder as of such record date, plus (ii) the product of (x) the excess (if any) of the number of Voting Securities of the Company beneficially owned in the aggregate by the Oaktree Shareholders and their Affiliates as of such record date, over the number of Voting Securities of the Company that is equal to the product of the total number of Voting Securities of the Company outstanding as of such record date, multiplied by the Voting Cap Percentage applicable with respect to such matter, multiplied by (y) a percentage equal to (I) the number of Voting Securities of the Company beneficially owned by such Other Large Holder as of such record date, divided by (II) the number of Voting Securities of the Company beneficially owned by all shareholders (other than the Oaktree Shareholders and their Affiliates) as of such record date and with respect to which a vote was cast or consent given (for or against) in respect of such matter, divided by (b) the total number of Voting Securities of the Company outstanding as of such record date.

"Person" means an association, a corporation, an individual, a partnership, a limited liability company, a trust or any other entity or organization, including a Governmental Authority.

"Preferred Shares" means the shares of preferred stock, par value $0.01 per share, of the Company, or any other capital stock of the Company or any other Person into which such stock is reclassified or reconstituted (whether by merger, consolidation or otherwise) (as adjusted for any stock splits, stock dividends, subdivisions, recapitalizations and the like).

"Unaffiliated Buyer" means any Person other than (a) an Oaktree Shareholder, (b) an Affiliate of an Oaktree Shareholder, (c) any Person or Group in which an Oaktree Shareholder and/or any of its Affiliates has, at the applicable time of determination, Equity Securities of at least $100 million (whether or not such Person or Group is deemed to be an Affiliate of an Oaktree Shareholder) (provided that this clause (c) shall not be applicable for purposes of Section 4.2 hereof) and (d) a Group that includes any of the foregoing.

"Voting Cap" means, as of any date of determination, the number of Voting Securities of the Company equal to the product of (a) the total number of outstanding Voting Securities of the Company as of such date multiplied by (b) the Voting Cap Percentage as of such date.

"Voting Cap Maximum" means, as of any date of determination, a percentage equal to the Other Large Holder Effective Voting Percentage as of such date multiplied by 110%; provided, that if the Voting Cap Percentage obtained by applying such Voting Cap Maximum would exceed 39%, then the Voting Cap Maximum shall equal the greater of (a) the sum of the Other Large Holder Effective Voting Percentage as of such date plus 1% and (b) 39%.

"Voting Cap Percentage" means 33%; provided, however, that if as of the record date for the determination of shareholders entitled to vote or consent to any matter, an Other Large Holder beneficially owns greater than 15% of the outstanding Voting Securities of the Company (the "Voting Cap Threshold"), then, subject to the next proviso, for every 1% of outstanding Voting Securities of the Company beneficially owned by such Other Large Holder in excess of the Voting Cap Threshold, the Voting Cap Percentage shall be increased by 2%; provided further, however, that the Voting Cap Percentage shall not exceed a percentage equal to the Voting Cap Maximum as of such record date. For the avoidance of doubt, if multiple Other Large Holders beneficially own more than 15% of the outstanding Voting Securities of the Company, the Voting Cap Percentage shall be adjusted in relation to that Other Large Holder having the greatest beneficial ownership of Voting Securities of the Company.

"Voting Securities" means, with respect to any entity as of any date, all forms of Equity Securities in such entity or any successor of such entity with voting rights as of such date, other than any such Equity Securities held in treasury by such entity or any successor or subsidiary thereof, including, with respect to the Company, Common Shares and Preferred Shares (in each case to the extent (a) entitled to voting rights and (b) issued and outstanding and not held in treasury by the Company or owned by subsidiaries of the Company).

Pappas Shareholders Agreement

The following is a summary of the material terms of the Pappas Shareholders Agreement. Capitalized terms that are used in this description of the Pappas Shareholders Agreement but not otherwise defined below have the meanings ascribed to them under the caption, "Certain Definitions."

General

The Pappas Shareholders Agreement, which entered into effect on July 11, 2014, upon the closing of the Merger, governs the ownership interest of Mr. Petros Pappas and his children, Ms. Milena-Maria Pappas (one of our former directors) and Mr. Alexandros Pappas, and entities affiliated to them ("Pappas Shareholders") in the Company following consummation of the Merger. Based upon the number of our shares outstanding as of February 16, 2022, the Pappas Shareholders beneficially own approximately 3.6% of our total issued and outstanding common shares of the Company.

Voting

At any meeting of our shareholders, the Pappas Shareholders have agreed to (and have agreed to cause their Affiliates to) vote, or cause to be voted, or exercise their rights to consent (or cause their rights to consent to be exercised) with respect to, all of our shares beneficially owned by them (and which are entitled to vote on such matter) in excess of the Voting Cap as of the record date for the determination of our shareholders entitled to vote or consent to such matter, with respect to each matter on which our shareholders are entitled to vote or consent, in the same proportion (for or against) as all shares owned by other of our shareholders.

Except as described below, in any election of directors to the Board of Directors, the Pappas Shareholders have agreed to (and have agreed to cause their Affiliates to) vote, or cause to be voted, or exercise their rights to consent (or cause their rights to consent to be exercised) with respect to, all of our shares beneficially owned by them (and which are entitled to vote on such matter) in favor of the slate of nominees approved by the Nominating and Corporate Governance Committee.

At any Contested Election following the later of (i) the date on which Mr. Petros Pappas ceases to be our Chief Executive Officer or (ii) the date on which Mr. Petros Pappas ceases to be a Director, the Pappas Shareholders have agreed to (and have agreed to cause their Affiliates to) vote, or cause to be voted, or exercise their rights to consent (or cause their rights to consent to be exercised) with respect to, all shares beneficially owned by them in excess of the Voting Cap in the same proportion (for or against) as all shares owned by other of our shareholders.

Standstill Restrictions

Under the terms of the Pappas Shareholders Agreement, until the Pappas Shareholders Agreement is terminated, neither the Pappas Shareholders nor any of their Affiliates will in any manner, directly or indirectly, (i) enter into any tender or exchange offer, merger, acquisition transaction or other business combination or any recapitalization, restructuring, liquidation, dissolution or other extraordinary transaction involving the Company, (ii) make, or in any way participate, directly or indirectly, in any solicitations of proxies, consents or authorizations to vote, or seek to influence any Person other than the Pappas Shareholders with respect to the voting of, any Voting Securities of the Company or any of its Subsidiaries (other than with respect to the nomination of any nominees

proposed by the Nominating and Corporate Governance Committee), (iii) otherwise act, alone or in concert with third parties, to seek to control or influence the management, Board of Directors or policies of the Company or any of its Subsidiaries (other than with respect to the nomination of any nominees proposed by the Nominating and Corporate Governance Committee), (iv) otherwise act, alone or in concert with third parties, to seek to control or influence the management, Board of Directors or policies of the Company or any of its Subsidiaries (other than with respect to the nomination of any nominees proposed by the Nominating and Corporate Governance Committee), or (v) enter into any negotiations, arrangements or understandings with any third party with respect to any of the foregoing activities. However, if (i) we publicly announce our intent to pursue a tender offer, merger, sale of all or substantially all of our assets, then the Pappas Shareholders will be permitted to privately make an offer or proposal to the Board of Directors and (ii) if the board of directors approves, recommends or accepts a buyout transaction the standstill restrictions of the Pappas Shareholders' participation in such transaction will cease to apply until such buyout transaction is terminated or abandoned and will become applicable again upon any such termination or abandonment (unless the Board of Directors determines otherwise with Disinterested Director Approval).

No Aggregation with Oaktree

We have agreed to acknowledge that the Pappas Shareholders have made investments and entered into business arrangements with the Oaktree Shareholders outside those subject to the Merger, and may from time to time enter into certain agreements with respect to the holding and/or disposition of Equity Securities of the Company. For purposes of the Pappas Shareholders Agreement, these arrangements and potential future agreements between the Pappas Shareholders and the Oaktree Shareholders will not cause (i) any Pappas Shareholder to be deemed to be an Affiliate of, or constitute a group or beneficially own of our Equity Securities beneficially owned by, the Oaktree Shareholders, or (ii) our Equity Securities held by the Oaktree Shareholders to be deemed to be subject to the provisions of the Pappas Shareholders Agreement.

Other Agreements

All transactions involving the Pappas Shareholders or their Affiliates, on the one hand, and the Company or its Subsidiaries, on the other hand, will require Disinterested Director Approval; provided, that Disinterested Director Approval will not be required for pro rata participation in primary offerings of our Equity Securities based on number of outstanding Voting Securities held.

Corporate Opportunity

From and after the date of the Pappas Shareholders Agreement and through and including the earliest of (x) the date of termination of the Pappas Shareholders Agreement, (y) the 36-month anniversary of the date of the Pappas Shareholders Agreement and (z) the date that Petros Pappas ceases to be our Chief Executive Officer, if a Pappas Shareholder (or any Affiliate thereof) acquires knowledge of a potential dry bulk transaction or dry bulk matter which may, in such Pappas Shareholder's good faith judgment, be a business opportunity for both such Pappas Shareholder and the Company (subject to certain exceptions), such Pappas Shareholder (and its Affiliate) has the duty to promptly communicate or offer such opportunity to the Company. If we do not notify the applicable Pappas Shareholder within five business days following receipt of such communication or offer that it is interested in pursuing or acquiring such opportunity for itself, then such Pappas Shareholder (or its Affiliate) will be entitled to pursue or acquire such opportunity for itself.

Termination

The Pappas Shareholders Agreement will terminate upon the earlier of (a) a liquidation, winding-up or dissolution of the Company and (b) the later of (x) such time as the Pappas Shareholders and their Affiliates in the aggregate beneficially own less than 5% of the outstanding our Voting Securities and (y) the date that is six months following the later of (i) the date Petros Pappas ceases to be the Chief Executive Officer or (ii) the date Mr. Petros Pappas ceases to be a Director.

Certain Definitions

For purposes of this description of the Pappas Shareholders Agreement, the following definitions apply:

"Affiliate" means, with respect to any Person, another Person that directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, such first Person, where "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ownership of voting securities, by contract, as trustee or executor or otherwise.

"beneficial owner" means a "beneficial owner", as such term is defined in Rule 13d-3 under the Exchange Act; "beneficially own", "beneficial ownership" and related terms shall have the correlative meanings.

"Company" means Star Bulk Carriers Corp.

"Contested Election" means an election of Directors to the Board of Directors where one or more members of the slate of nominees put forward by the Nominating and Corporate Governance Committee is being opposed by one or more competing nominees.

"Disinterested Director Approval" means the approval of a majority of the Disinterested Directors (and the quorum requirements set forth in the Charter or bylaws of the Company shall be reduced to exclude any Directors that are not Disinterested Directors for purposes of such approval).

"Disinterested Directors" means any Directors who (a) are not Petros Pappas, any other Pappas Shareholder or any Affiliate of any Pappas Shareholder and (b) do not have any material business, financial or familial relationship with a party (other than the Company or its Subsidiaries) to the transaction or conduct that is the subject of the approval being sought. Notwithstanding the foregoing, the agreements and relationships between the Pappas Shareholders and the Oaktree Shareholders shall not disqualify any Director designated by Oaktree from constituting a Disinterested Director (except if any such Oaktree designee is Mr. Petros Pappas, any Pappas Shareholder or any Affiliate thereof). Notwithstanding anything to the contrary in the foregoing, any Oaktree designee shall be disqualified from constituting a Disinterested Director for purposes of the standstill provision.

"Equity Securities" means, with respect to any entity, all forms of equity securities in such entity or any successor of such entity (however designated, whether voting or non-voting), all securities convertible into or exchangeable or exercisable for such equity securities, and all warrants, options or other rights to purchase or acquire from such entity or any successor of such entity, such equity securities, or securities convertible into or exchangeable or exercisable for such equity securities, including, with respect to the Company, the Common Shares and Preferred Shares.

"Voting Cap" means, as of any date of determination, the number of Voting Securities of the Company equal to the product of (a) the total number of outstanding Voting Securities of the Company as of such date multiplied by (b) 14.9%.

Registration Rights Agreement and Related Registration Statements

On July 11, 2014, Oaktree, affiliates of Mr. Petros Pappas and Monarch entered into the Registration Rights Agreement. The Registration Rights Agreement provides Oaktree with certain demand registration rights and provides Oaktree and affiliates of Mr. Petros Pappas with certain shelf registration rights in respect of any of our common shares held by them, subject to certain conditions, including those shares acquired in July 2014. In addition, in the event that we register additional common shares for sale to the public, we are required to give notice to Oaktree and affiliates of Mr. Petros Pappas of our intention to effect such registration and, subject to certain limitations, we are required to include our common shares held by those holders in such registration.

We are required to bear the registration expenses, other than underwriting discounts and commissions and transfer taxes, if any, attributable to the sale of any holder's securities pursuant to the Registration Rights Agreement. The Registration Rights Agreement includes customary indemnification provisions in favor of the shareholders party thereto, any person who is or might be deemed a control person (within the meaning of the Securities Act, and the Exchange Act and related parties against certain losses and liabilities (including reasonable costs of investigation and legal expenses) arising out of or relating to any filing or other disclosure made by us under the securities laws relating to any such registration.

In 2018, the Registration Rights Agreement was amended in conjunction with the Augustea Vessel Acquisition to add Augustea and York as parties.

All ongoing and future transactions between us and any of our officers and directors or their respective affiliates, including loans by our officers and directors, if any, will be on terms believed by us to be no less favorable than are available from unaffiliated third parties, and such transactions or loans, including any forgiveness of loans, will require prior approval, in each instance by a majority of our uninterested "independent" directors or the members of our Board of Directors who do not have an interest in the transaction, in either case who had access, at our expense, to our attorneys or independent legal counsel.

C. Interests of Experts and Counsel

Not Applicable.

Item 8. Financial Information

A. Consolidated statements and other financial information.

See Item 18. "Financial Statements."

Legal Proceedings

We have not been involved in any legal proceedings which we believe may have, or have had, a significant effect on our business, financial position, results of operations or liquidity, nor are we aware of any proceedings that are pending or threatened which we believe may have a significant effect on our business, financial position, and 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.

Dividend Policy

The declaration and payment of dividends will be subject at all times to the discretion of our Board of Directors. The timing and amount of dividends will depend on our dividend policy, earnings, financial condition, cash requirements and availability, fleet renewal and expansion, restrictions in our loan agreements, if any, the provisions of Marshall Islands law affecting the payment of dividends and other factors. Marshall Islands law generally prohibits the payment of dividends other than from surplus or while a company is insolvent, or would be rendered insolvent upon the payment of such dividends, or if there is no surplus, dividends may be declared or paid out of net profits for the fiscal year in which the dividend is declared, and for the preceding fiscal year.

We believe that, under current law, our dividend payments from earnings and profits would constitute "qualified dividend income" and as such will generally be subject to a preferential United States federal income tax rate (subject to certain conditions) with respect to non-corporate individual shareholders. Distributions in excess of our earnings and profits will be treated first as a non-taxable return of capital to the extent of a United States shareholder's tax basis in its common stock on a Dollar-for-Dollar basis and thereafter as capital gain. Please see "Item 10. Additional Information—E. Taxation" for additional information relating to the tax treatment of our dividend payments.

Currently, we are able under our financing agreements to pay dividend unless an event of default has occurred.

In November 2019, our Board of Directors established a dividend policy, which was updated in May 2021, pursuant to which our Board of Directors intends to declare a dividend in each of February, May, August and November in an amount equal to (a) our Total Cash Balance minus (b) the product of (i) the Minimum Cash Balance per Vessel and (ii) the Number of Vessels.

"Total Cash Balance" means (a) the aggregate amount of cash on our balance sheet as of the last day of the quarter preceding the relevant dividend declaration date minus (b) any proceeds received by us from vessel sales, or additional proceeds from vessel refinancing arrangements or securities offerings in the last 12 months that have been earmarked for share repurchases, debt prepayment, vessel acquisitions and general corporate purposes.

"Minimum Cash Balance per Vessel" means:

a. $1.40 million for March 31, 2021;

b. $1.65 million for June 30, 2021;

c. $1.90 million for September 30, 2021;

d. $2.10 million for December 31, 2021; and thereafter.

"Number of Vessels" means the total number of vessels owned by us, or that are subject to sale and leaseback transactions and finance leases, as of the last day of the quarter preceding the relevant dividend declaration date.

Any future dividends remain subject to approval of our Board of Directors each quarter after its review of our financial performance and will depend upon various factors, including but not limited to the prevailing charter market conditions, capital requirements, limitations under our credit agreements and applicable provisions of Marshall Islands law. There can be no assurance that our Board of Directors will declare any dividend in the future.

Pursuant to our dividend policy prevailing at each time, in November 2019 and February 2020, our Board of Directors declared a cash dividend of $0.05 per share for each of the third and fourth quarter of 2019, respectively. In addition, in May 2021, August 2021, November 2021 and February 2022 our Board declared a cash dividend of $0.30, $0.70, $1.25 and $2.00 per share for the first, second, third and fourth quarter of 2021, respectively. As a result, an amount of $4.8 million, $4.8 million and $230.5 million was paid in 2019, 2020 and 2021, respectively, while an amount of approximately $205 million is expected to be paid on or about March 15, 2022..

B. Significant Changes.

There have been no significant changes since the date of the annual consolidated financial statements included in this annual report, other than those described in Note 18 "Subsequent events" of our annual consolidated financial statements.

Item 9. The Offer and Listing

A. Offer and Listing Details

Our common shares are traded on the Nasdaq Global Select Market under the symbol "SBLK."

B. Plan of Distribution

Not applicable.

C. Markets

Our common shares are traded on the Nasdaq Global Select Market under the symbol "SBLK."

D. Selling Shareholders

Not applicable.

E. Dilution

Not applicable.

F. Expenses of the Issue

Not applicable.

Item 10. Additional Information

A. Share Capital

Not Applicable.

B. Memorandum and Articles of Association

Our Articles of Incorporation were filed as Exhibit 3.1 to our Report on Form 6-K filed with the Commission on June 23, 2016 and are incorporated by reference into Exhibit 1.1 to this annual report.

Under our Articles of Incorporation, our authorized capital stock consists of 325,000,000 registered shares of stock:

- 300,000,000 common shares, par value $0.01 per share; and
- 25,000,000 preferred shares, par value $0.01 per share.

Our Board of Directors shall have the authority to issue all or any of the preferred shares in one or more classes or series with such voting powers, designations, preferences and relative, participating, optional or special rights and qualifications, limitations or restrictions as shall be stated in the resolutions providing for the issue of such class or series of preferred shares.

As of February 16, 2022, we had 102,294,758 common shares issued and outstanding. No preferred shares are issued or outstanding.

In addition, our Articles of Incorporation grant the Chairman of our Board of Directors a tie-breaking vote in the event the directors' vote is evenly split or deadlocked on a matter presented for vote.

Our Articles of Incorporation and Bylaws

Our purpose, as stated in Section B of our Articles of Incorporation, is to engage in any lawful act or activity for which corporations may now or hereafter be organized under the Marshall Islands Business Corporations Act.

Directors

Our directors are elected by a majority of the votes cast by shareholders entitled to vote in an election. Our Articles of Incorporation provide that cumulative voting shall not be used to elect directors. Our Board of Directors must consist of at least three members. The exact number of directors is fixed by a vote of at least $66^2/_3$% of the entire Board of Directors. Our Articles of Incorporation provide for a staggered Board of Directors whereby directors shall be divided into three classes: Class A, Class B and Class C, which shall be as nearly equal in number as possible. Shareholders, acting as at a duly constituted meeting, or by unanimous written consent of all shareholders, initially designated directors as Class A, Class B or Class C with only one class of directors being elected in each year and following the initial term for each such class, each class will serve a three-year term. The terms of our Board of Directors are as follows: (i) the term of our Class A directors expires in 2023; (ii) the term of our Class B directors expires in 2024; and (iii) the term of our Class C directors expires on May 11, 2022. Each director serves his or her respective term of office until his or her successor has been elected and qualified, except in the event of his or her death, resignation, removal or the earlier termination of his or her term of office. Our Board of Directors has the authority to fix the amounts which shall be payable to the members of the Board of Directors for attendance at any meeting or for services rendered to us.

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 at any time by the Board of Directors, or by the Chairman of the Board of Directors or by the President. No other person is permitted to call a special meeting and no business may be conducted at the special meeting other than business brought before the meeting by the Board of Directors, the Chairman of the Board of Directors or the President. Under the MIBCA, 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' Rights of Appraisal and Payment

Under the MIBCA, our shareholders have the right to dissent from various corporate actions, including any merger or consolidation, sale of all or substantially all of our assets not made in the usual course of our business, and receive payment of the fair value of their shares. However, the right of a dissenting shareholder to receive payment of the appraised fair value of his shares is not available under the MIBCA for the shares of any class or series of stock, which shares or depository receipts in respect thereof, at the record date fixed to determine the shareholders entitled to receive notice of and to vote at the meeting of the shareholders to act upon the agreement of merger or consolidation, were either (i) listed on a securities exchange or admitted for trading on an interdealer quotation system or (ii) 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 MIBCA to receive payment. In the event that we and any dissenting shareholder fail to agree on a price for the shares, the MIBCA 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.

Shareholders' Derivative Actions

Under the MIBCA, 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 both at the time the derivative action is commenced and at the time of the transaction to which the action relates.

Indemnification of Officers and Directors

Our Bylaws include a provision that entitles any our directors or officers to be indemnified by us upon the same terms, under the same conditions and to the same extent as authorized by the MIBCA if the director or officer acted in good faith and in a manner reasonably believed to be in and not opposed to our best interests, and with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful.

We are also authorized to carry directors' and officers' insurance as a protection against any liability asserted against our directors and officers acting in their capacity as directors and officers regardless of whether we would have the power to indemnify such director or officer against such liability by law or under the provisions of our Bylaws. We believe that these indemnification provisions and insurance are useful to attract and retain qualified directors and executive officers.

The indemnification provisions in our Bylaws may discourage shareholders from bringing a lawsuit against 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, might otherwise benefit us and our shareholders.

Anti-Takeover Provisions of our Charter Documents

Several provisions of our Articles of Incorporation and our Bylaws 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 us. However, these anti-takeover provisions, which are summarized below, could also discourage, delay or prevent (1) 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 (2) the removal of incumbent officers and directors.

Blank Check Preferred Stock

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 25,000,000 shares of blank check preferred stock. Our Board of Directors may issue shares of preferred stock on terms calculated to discourage, delay or prevent a change of control of our company or the removal of our management.

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. The classified provision for the Board of Directors could discourage a third party from making a tender offer for our shares or attempting to obtain control of our company. 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.

Election and Removal of Directors

Our Articles of Incorporation prohibit cumulative voting in the election of directors. Our Articles of Incorporation also require shareholders to give advance written notice of nominations for the election of directors. Our Articles of Incorporation further provide that our directors may be removed only for cause and only upon affirmative vote of the holders of at least 70% of our outstanding voting shares. These provisions may discourage, delay or prevent the removal of incumbent officers and directors.

Limited Actions by Shareholders

Our Bylaws provide that if a quorum is present, and except as otherwise expressly provided by law, the affirmative vote of a majority of the common shares represented at the meeting shall be the act of the shareholders. Shareholders may act by way of written consent in accordance with the provisions of Section 67 of the MIBCA.

Advance Notice Requirements for Shareholder Proposals and Director Nominations

Our Articles of Incorporation provide that 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 120 days nor more than 180 days prior to the one-year anniversary of the preceding year’s annual meeting. Our Articles of Incorporation 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.

C. Material Contracts

During the years ended December 31, 2020 and 2021 and as of December 31, 2021, we were a party to the Oaktree Shareholders Agreement, the Pappas Shareholders Agreement and to registration rights agreements with Oaktree and affiliates of Mr. Petros Pappas. For a discussion of these agreements, please see the section of this annual report entitled "Item 7. Major Shareholders and Related Party Transactions—B. Related Party Transactions." Such description is not intended to be complete and reference is made to the contract itself which is an exhibit to this annual report on Form 20-F.

We have no other material contracts, other than contracts entered into in the ordinary course of business, to which we are a party.

D. Exchange Controls

Under the laws of the Marshall Islands, Liberia, Cyprus, Malta, Singapore, British Virgin Islands and Germany, which are the countries of incorporation of the Company and its subsidiaries, there are currently no restrictions on the export or import of capital, including foreign exchange controls or restrictions that affect the remittance of dividends, interest or other payments to non-resident holders of our common shares.

E. Taxation

The following is a discussion of the material Marshall Islands and U.S. federal income tax regimes relevant to an investment decision with respect to our common shares.

In addition to the tax consequences discussed below, we may be subject to tax in one or more other jurisdictions, including Greece, Cyprus, Malta, Singapore and Germany, where we conduct activities. We expect that our tax exposure in these jurisdictions is immaterial.

Marshall Islands Tax Consequences

We are incorporated in the Marshall Islands. Under current Marshall Islands law, we are not subject to tax on income or capital gains, and no Marshall Islands withholding tax will be imposed upon payments of dividends by us to our shareholders.

Material United States Federal Income Tax Considerations

The following is a discussion of the material U.S. federal income tax consequences to us of our activities and to our shareholders of the ownership and disposition of our common shares. This discussion is not a complete analysis or listing of all of the possible tax consequences to our shareholders of the ownership and disposition of our common shares and does not address all tax considerations that might be relevant to particular holders in light of their personal circumstances or to persons that are subject to special tax rules. In particular, the information set forth below deals only with shareholders that will hold common shares as capital assets for U.S. federal income tax purposes (generally, property held for investment) and that do not own, and are not treated as owning, at any time, 10% or more of the value of our stock or 10% or more of the total combined voting power of all classes of our stock entitled to vote. In addition, this description of the material U.S. federal income tax consequences does not address the tax treatment of special classes of shareholders, such as (i) financial institutions, (ii) regulated investment companies, (iii) real estate investment trusts, (iv) tax-exempt entities, (v) insurance companies, (vi) persons holding the common shares as part of a hedging, integrated or conversion transaction, constructive sale or "straddle," (vii) persons that acquired common shares through the exercise or cancellation of employee stock options or otherwise as compensation for their services, (viii) U.S. expatriates, (ix) persons subject to the alternative minimum tax, the "base erosion and anti-avoidance" tax or the net investment income tax, (x) dealers or traders in securities or currencies, (xi) persons required to recognize income for U.S. federal income tax purposes no later than when such income is reported on an "applicable financial statement" and (xii) U.S. shareholders whose functional currency is not the U.S. dollar. You are encouraged to consult your own tax advisors concerning the overall tax consequences arising in your own particular situation under U.S. federal, state, local or non-U.S. law of the ownership of our common shares.

U.S. Federal Income Tax Considerations

The following is a discussion of the material U.S. federal income tax consequences to us of our activities and to U.S. Holders and Non-U.S. Holders (each as defined below) of the ownership and disposition of our common shares.

The following discussion is based upon the Internal Revenue Code of 1986, as amended (the "Code"), U.S. judicial decisions, administrative pronouncements and existing and proposed Treasury Regulations, all as in effect as of the date hereof. All of the preceding authorities are subject to change, possibly with retroactive effect, so as to result in U.S. federal income tax consequences different from those discussed below. We have not requested, and will not request, a ruling from the U.S. Internal Revenue Service (the "IRS") with respect to any of the U.S. federal income tax consequences described below, and as a result there can be no assurance that the IRS will not disagree with or challenge any of the conclusions we have reached and describe herein.

This summary does not address estate and gift tax consequences or tax consequences under any state, local or non-U.S. laws.

U.S. Federal Income Taxation of the Company

U.S. Tax Classification of the Company

We are treated as a corporation for U.S. federal income tax purposes. As a result, U.S. Holders will not be directly subject to U.S. federal income tax on our income, but rather will be subject to U.S. federal income tax on distributions received from us and dispositions of common shares as described below.

U.S. Federal Income Taxation of Operating Income: In General

We anticipate that we will earn substantially all our income from the hiring or leasing of vessels for use mostly on a voyage or time charter basis or from the performance of services directly related to those uses, all of which we refer to as "shipping income."

Unless a non-U.S. corporation qualifies for an exemption from U.S. federal income taxation under Section 883 of the Code, such corporation will be subject to U.S. federal income taxation on its "shipping income" that is treated as derived from sources within the United States. For U.S. federal income tax purposes, 50% of shipping income that is attributable to transportation that begins or ends, but that does not both begin and end, in the United States constitutes income from sources within the United States ("United States source gross transportation income" or "USSGTI"), and, in the absence of exemption from tax under Section 883 of the Code, such USSGTI generally will be subject to a 4% U.S. federal income tax imposed without allowance for deductions.

Shipping income of a non-U.S. corporation attributable to transportation that both begins and ends in the United States is considered to be derived entirely from sources within the United States. However, U.S. law prohibits non-U.S. corporations, such as us, from engaging in transportation that produces income considered to be derived entirely from U.S. sources.

Shipping income of a non-U.S. corporation attributable to transportation exclusively between two non-U.S. ports will be considered to be derived entirely from sources outside the United States. Shipping income of a non-U.S. corporation derived from sources outside the United States will not be subject to any U.S. federal income tax.

Exemption of Operating Income from U.S. Federal Income Taxation

Under Section 883 of the Code and the Treasury Regulations thereunder, a non-U.S. corporation will be exempt from U.S. federal income taxation on its U.S. source shipping income if:

(1) it is organized in a country that grants an "equivalent exemption" from tax to corporations organized in the United States in respect of each category of shipping income for which exemption is being claimed under Section 883 of the Code (a "qualified foreign country"); and

(2) one of the following tests is met: (A) more than 50% of the value of its shares is beneficially owned, directly or indirectly, by "qualified shareholders," which term includes individuals that (i) are "residents" of qualified foreign countries and (ii) comply with certain substantiation requirements (the "50% Ownership Test"); (B) it is a "controlled foreign corporation" and it satisfies an ownership test (the "CFC Test"); or (C) its shares are "primarily and regularly traded on an established securities market" in a qualified foreign country or in the United States (the "Publicly-Traded Test"). We do not currently anticipate circumstances under which we would be able to satisfy the 50% Ownership Test or the CFC Test. Our ability to satisfy the Publicly-Traded Test is described below.

The Republic of the Marshall Islands has been officially recognized by the IRS as a qualified foreign country that grants the requisite "equivalent exemption" from tax in respect of each category of shipping income we earn and currently expect to earn in the future.

Publicly-Traded Test. The Treasury Regulations under Section 883 of the Code provide, in pertinent part, that shares of a non-U.S. 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 stock 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. Our common shares are "primarily traded" on the NASDAQ Global Select Market.

Under the Treasury Regulations, stock of a non-U.S. corporation will be considered to be "regularly traded" on an established securities market if (1) one or more classes of stock of the corporation that represent more than 50% of the total combined voting power of all classes of stock of the corporation entitled to vote and of the total value of the stock of the corporation, are listed on such market and (2) (A) such class of stock is 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 (B) the aggregate number of shares of such class of stock traded on such market during the taxable year must be at least 10% of the average number of shares of such class of stock outstanding during such year or as appropriately adjusted in the case of a short taxable year.

Notwithstanding the foregoing, the Treasury Regulations provide, in pertinent 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 that each own 5% or more of the vote and value of such class of outstanding stock (the "5% Override Rule").

For purposes of determining the persons that actually or constructively own 5% or more of the vote and value of our common shares ("5% Shareholders"), the Treasury Regulations permit us to rely on those persons that are identified on Schedule 13G and Schedule 13D filings with the U.S. Securities and Exchange Commission, as owning 5% or more of our common shares. The Treasury Regulations further provide that an investment company which is registered under the Investment Company Act of 1940, as amended, will not be treated as a 5% Shareholder for such purposes.

In the event the 5% Override Rule is triggered, the Treasury Regulations provide that the 5% Override Rule will nevertheless not apply if we can establish that within the group of 5% Shareholders, qualified shareholders (as defined for purposes of Section 883) own sufficient number of shares to preclude non-qualified shareholders in such group from owning 50% or more of the total value of the class of stock of the closely held block that is a part of our common shares for more than half the number of days during the taxable year.

Based on information contained in Schedules 13G and 13D filing with the U.S. Securities and Exchange Commission, we believe that we satisfy the Publicly Traded Test for 2020 and 2021 because we are not subject to the 5% Override Rule for these years because 5% Shareholders did not collectively own more than 50% of our outstanding common stock for more than half of the days in 2020 and 2021, respectively. Accordingly, we believe that we qualify for exemption under Section 883 for 2020 and 2021. However, we may not qualify for this exemption from U.S. federal income tax on our U.S. source sipping income in subsequent taxable years due to the factual nature of this inquiry.

Taxation in Absence of Section 883 Exemption

For any taxable year in which we are not eligible for the benefits of Section 883 exemption, our USSGTI will be subject to a 4% tax imposed by Section 887 of the Code without the benefit of deductions to the extent that such income is not considered to be "effectively connected" with the conduct of a U.S. trade or business, as described below. Since under the sourcing rules described above, no more than 50% of our shipping income would be treated as derived from sources within the United States, the maximum effective rate of U.S. federal income tax on our shipping income would never exceed 2% under this regime.

To the extent our shipping income derived from sources within the United States is considered to be "effectively connected" with the conduct of a U.S. trade or business, as described below, any such "effectively connected" shipping income, net of applicable deductions, would be subject to U.S. federal income tax, currently imposed at a rate of 21%. In addition, we would generally be subject to the 30% "branch profits" tax on earnings effectively connected with the conduct of such trade or business, as determined after allowance for certain adjustments, and on certain interest paid or deemed paid attributable to the conduct of our U.S. trade or business.

Our shipping income would be considered "effectively connected" with the conduct of a U.S. trade or business only if:

(1) we have, or are considered to have, a fixed place of business in the United States involved in the earning of U.S. source shipping income; and

(2) substantially all of our U.S. source shipping income is attributable to regularly scheduled transportation, such as the operation of a vessel that follows a published schedule with repeated sailings at regular intervals between the same points for voyages that begin or end in the United States.

We do not intend to have, or permit circumstances that would result in having, any vessel sailing to or from the United States on a regularly scheduled basis. Based on the foregoing and on the expected mode of our shipping operations and other activities, it is anticipated that none of our shipping income will be "effectively connected" with the conduct of a U.S. trade or business.

U.S. Taxation of Gain on Sale of Vessels

Regardless of whether we qualify for exemption under Section 883, we will not be subject to U.S. federal income tax with respect to gain realized on a sale of a vessel, provided that (i) the sale is considered to occur outside of the United States under U.S. federal income tax principles and (ii) such sale is not attributable to an office or other fixed place of business in the United States. 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. We intend to conduct our operations so that the gain on any sale of a vessel by us will not be taxable in the United States.

U.S. Federal Income Taxation of U.S. Holders

As used herein, a "U.S. Holder" is a beneficial owner of a common share that is: (1) a citizen of or an individual resident of the United States, as determined for U.S. federal income tax purposes; (2) a corporation (or other entity treated as a corporation for U.S. federal income tax purposes) created or organized under the laws of the United States or any state thereof or the District of Columbia; (3) an estate the income of which is subject to U.S. federal income taxation regardless of its source; or (4) a trust (A) if a court within the United States is able to exercise primary jurisdiction over its administration and one or more U.S. persons have authority to control all substantial decisions of the trust or (B) that has a valid election in effect under applicable Treasury Regulations to be treated as a U.S. person.

If a pass-through entity, including a partnership or other entity classified as a partnership for U.S. federal income tax purposes, is a beneficial owner of our common shares, the U.S. federal income tax treatment of an owner or partner will generally depend upon the status of such owner or partner and upon the activities of the pass-through entity. Owners or partners of a pass-through entity that is a beneficial owner of common shares are encouraged to consult their tax advisors.

U.S. Holders are urged to consult their tax advisors as to the particular consequences to them under U.S. federal, state and local, and applicable non-U.S. tax laws of the ownership and disposition of common shares.

Distributions

Subject to the discussion of passive foreign investment companies ("PFICs") below, any distributions made by us with respect to our common shares to a U.S. Holder will generally constitute foreign-source dividends to the extent of our current or accumulated earnings and profits, as determined under U.S. federal income tax principles. Distributions in excess of such earnings and profits will be treated first as a nontaxable return of capital to the extent of the U.S. Holder's tax basis in its common shares and thereafter as capital gain. However, we do not maintain calculations of our earnings and profits in accordance with U.S. federal income tax principles, and you should therefore assume that any distribution by us with respect to our common shares will constitute ordinary dividend income.

Because we are not a U.S. corporation, U.S. Holders that are corporations generally will not be entitled to claim a dividends received deduction with respect to any distributions they receive from us.

If the common shares are readily tradable on an established securities market in the United States within the meaning of the Code, such as the NASDAQ Global Select Market, and if certain holding period and other requirements (including a requirement that we are not a PFIC in the year of the dividend or the preceding year) are met, dividends received by non-corporate U.S. Holders will be "qualified dividend income" to such U.S. Holders. Qualified dividend income received by non-corporate U.S. Holders (including an individual) will be subject to U.S. federal income tax at preferential rates.

Sale, Exchange or Other Disposition of Common Shares

Subject to the discussion of PFICs below, a U.S. Holder generally will recognize capital gain or loss upon a sale, exchange or other disposition of our common shares in an amount equal to the difference between the amount realized by the U.S. Holder from such sale, exchange or other disposition and the U.S. Holder's tax basis in such shares. Such gain or loss will be treated as long-term capital gain or loss if the U.S. Holder's holding period is greater than one year at the time of the sale, exchange or other disposition. Such capital gain or loss will generally be treated as U.S. source income or loss, as applicable, for U.S. foreign tax credit purposes. Long-term capital gains of certain non-corporate U.S. Holders are currently eligible for reduced rates of taxation. A U.S. Holder's ability to deduct capital losses is subject to certain limitations.

Passive Foreign Investment Company Considerations

The foregoing discussion assumes that we are not, and will not be, a PFIC. If we are classified as a PFIC in any year during which a U.S. Holder owns our common shares, the U.S. federal income tax consequences to such U.S. Holder of the ownership and disposition of common shares could be materially different from those described above. A non-U.S. corporation will be considered a PFIC for any taxable year in which (i) 75% or more of its gross income is "passive income" (e.g., dividends, interest, capital gains and rents derived other than in the active conduct of a rental business) or (ii) 50% or more of the average value of its assets produce (or are held for the production of) "passive income." For this purpose, we will be treated as earning and owning our proportionate share of the income and assets, respectively, of any of our subsidiaries that are treated as pass-through entities for U.S. federal income tax purposes. Further, we will be treated as holding directly our proportionate share of the assets and receiving directly the proportionate share of the income of corporations of which we own, directly or indirectly, at least 25%, by value. For purposes of determining our PFIC status, income earned by us in connection with the performance of services would not constitute passive income. By contrast, rental income would generally constitute "passive income" unless we were treated under specific rules as deriving our rental income in the active conduct of a trade or business. We intend to take the position that income we derive from our voyage and time chartering activities is services income, rather than rental income, and accordingly, that such income is not passive income for purposes of determining our PFIC status.

By contrast, we intend to take the position for that income we derive from our bareboat chartering activities is passive income for purposes of determining our PFIC status. We do not believe that the income we derive from our bareboat chartering activities will materially affect our conclusion that we are not a PFIC for U.S. federal income tax purposes. We believe that there is substantial legal authority supporting our position consisting of case law and IRS pronouncements concerning the characterization of income derived from voyage and time charters as services income for other tax purposes. Additionally, we believe that our contracts for newbuilding vessels are not assets held for the production of passive income, because we intend to use these vessels for voyage and time chartering activities.

Assuming that it is proper to characterize income from our voyage and time chartering activities as services income and based on the expected composition of our income and assets, we believe that we currently are not a PFIC, and we do not expect to become a PFIC in the future. However, our characterization of income from voyage and time charters and of contracts for newbuilding vessels is not free from doubt. Moreover, the determination of PFIC status for any year must be made only on an annual basis after the end of such taxable year and will depend on the composition of our income, assets and operations during such taxable year. Because of the above described uncertainties, there can be no assurance that the IRS will not challenge the determination made by us concerning our PFIC status or that we will not be a PFIC for any taxable year.

If we were treated as a PFIC for any taxable year during which a U.S. Holder owns common shares, the U.S. Holder would be subject to special adverse rules (described in "-*Taxation of U.S. Holders Not Making a Timely QEF or Mark-to-Market Election*") unless the U.S. Holder makes a timely election to treat us as a "Qualified Electing Fund" (a "QEF election") or marks its common shares to market, as discussed below. We intend to promptly notify our shareholders if we determine that we are a PFIC for any taxable year. A U.S. Holder generally will be required to file IRS Form 8621 if such U.S. Holder owns common shares in any year in which we are classified as a PFIC.

Taxation of U.S. Holders Making a Timely QEF Election. If a U.S. Holder makes a timely QEF election, such U.S. Holder must report for U.S. federal income tax purposes its pro-rata share of our ordinary earnings and net capital gain, if any, for each of our taxable years during which we are a PFIC that ends with or within the taxable year of such U.S. Holder, regardless of whether distributions were received from us by such U.S. Holder. No portion of any such inclusions of ordinary earnings will be treated as "qualified dividend income." Net capital gain inclusions of certain non-corporate U.S. Holders might be eligible for preferential capital gains tax rates. The U.S. Holder's adjusted tax basis in the common shares will be increased to reflect any income included under the QEF election. Distributions of previously taxed income will not be subject to tax upon distribution but will decrease the U.S. Holder's tax basis in the common shares. An electing U.S. Holder would not, however, be entitled to a deduction for its pro-rata share of any losses that we incur with respect to any taxable year. An electing U.S. Holder would generally recognize capital gain or loss on the sale, exchange or other disposition of our common shares. A U.S. Holder would make a timely QEF election for our common shares by filing IRS Form 8621 with its U.S. federal income tax return for the first year in which it held such shares when we were a PFIC. If we determine that we are a PFIC for any taxable year, we would provide each U.S. Holder with all necessary information in order to make the QEF election described above.

Taxation of U.S. Holders Making a "Mark-to-Market" Election. Alternatively, if we were treated as a PFIC for any taxable year and, as we anticipate, our common shares are treated as "marketable stock," a U.S. Holder would be allowed to make a "mark-to-market" election with respect to our common shares. If that election is properly and timely made, the U.S. Holder generally would include as ordinary income in each taxable year that we are a PFIC the excess, if any, of the fair market value of the common shares at the end of the taxable year over such U.S. Holder's adjusted tax basis in the common shares. The U.S. Holder would also be permitted an ordinary loss in each such year in respect of the excess, if any, of the U.S. 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. A U.S. Holder's tax basis in its common shares would be adjusted to reflect any such income or loss amount recognized. Any gain realized on the sale, exchange or other disposition of our common shares in a year that we are a PFIC would be treated as ordinary income, and any loss realized on the sale, exchange or other disposition of the common shares in such a year would be treated as ordinary loss to the extent that such loss does not exceed the net mark-to-market gains previously included by the U.S. Holder.

Taxation of U.S. Holders Not Making a Timely QEF or Mark-to-Market Election. If we were treated as a PFIC for any taxable year, a U.S. Holder that does not make either a QEF election or a "mark-to-market" election (a "Non-Electing Holder") would be subject to special rules with respect to (1) any excess distribution (i.e., the portion of any distributions received by the Non-Electing Holder on the common shares in a taxable year in excess of 125% of the average annual distributions received by the Non-Electing Holder in the three preceding taxable years, or, if shorter, the Non-Electing Holder's holding period for the common shares), and (2) any gain realized on the sale, exchange or other disposition of our common shares. Under these special rules:

(1) the excess distribution or gain would be allocated ratably over the Non-Electing Holder's aggregate holding period for the common shares;

(2) the amount allocated to the current taxable year, and any taxable year prior to the first taxable year in which we were a PFIC, would be taxed as ordinary income and would not be "qualified dividend income"; and

(3) the amount allocated to each of the other taxable years would be subject to tax at the highest rate of tax in effect for the applicable class of taxpayer for that year, and an interest charge for the deemed tax deferral benefit would be imposed with respect to the resulting tax attributable to each such other taxable year.

U.S. Holders are urged to consult their tax advisors concerning the U.S. federal income tax consequences of holding common shares if we are considered a PFIC in any taxable year.

U.S. Federal Income Taxation of Non-U.S. Holders

As used herein, a "Non-U.S. Holder" is any beneficial owner of a common share that is, for U.S. federal income tax purposes, an individual, corporation, estate or trust and that is not a U.S. Holder.

If a pass-through entity, including a partnership or other entity classified as a partnership for U.S. federal income tax purposes, is a beneficial owner of our common shares, the U.S. federal income tax treatment of an owner or partner will generally depend upon the status of such owner or partner and upon the activities of the pass-through entity. Owners or partners of a pass-through entity that is a beneficial owner of common shares are encouraged to consult their tax advisors.

Distributions

A Non-U.S. Holder generally will not be subject to U.S. federal income or withholding tax on dividends received from us with respect to our common shares, unless that income is effectively connected with the Non-U.S. Holder's conduct of a trade or business in the United States. In general, if the Non-U.S. Holder is entitled to the benefits of an applicable U.S. income tax treaty with respect to those dividends, that income is taxable only if it is attributable to a permanent establishment maintained by the Non-U.S. Holder in the United States.

Sale, Exchange or Other Disposition of Common Shares

A Non-U.S. Holder generally will not be subject to U.S. federal income or withholding tax on any gain realized upon the sale, exchange or other disposition of our common shares, unless:

(1) the gain is effectively connected with the Non-U.S. Holder's conduct of a trade or business in the United States; in general, in the case of a Non-U.S. Holder entitled to the benefits of an applicable U.S. income tax treaty with respect to that gain, that gain is taxable only if it is attributable to a permanent establishment maintained by the Non-U.S. Holder in the United States; or

(2) the Non-U.S. Holder is an individual who is present in the United States for 183 days or more during the taxable year of disposition and other conditions are met.

Income or Gains Effectively Connected with a U.S. Trade or Business

If the Non-U.S. Holder is engaged in a U.S. trade or business for U.S. federal income tax purposes, dividends on the common shares and gain from the sale, exchange or other disposition of the shares, that is effectively connected with the conduct of that trade or business (and, if required by an applicable U.S. income tax treaty, is attributable to a U.S. permanent establishment), will generally be subject to regular U.S. federal income tax in the same manner as discussed in the previous section relating to the taxation of U.S. Holders. In addition, in the case of a corporate Non-U.S. Holder, its earnings and profits that are attributable to the effectively connected income, which are subject to certain adjustments, may be subject to an additional U.S. federal branch profits tax at a rate of 30%, or at a lower rate as may be specified by an applicable U.S. income tax treaty.

Information Reporting and Backup Withholding

Information reporting might apply to dividends paid in respect of common shares and the proceeds from the sale, exchange or other disposition of common shares within the United States. Backup withholding (currently at a rate of 24%) might apply to such payments made to a U.S. Holder unless the U.S. Holder furnishes its taxpayer identification number, certifies that such number is correct, certifies that such U.S. Holder is not subject to backup withholding and otherwise complies with the applicable requirements of the backup withholding rules. Certain U.S. Holders, including corporations, are generally not subject to backup withholding and information reporting requirements if they properly demonstrate their eligibility for exemption. United States persons who are required to establish their exempt status generally must provide IRS Form W-9 (Request for Taxpayer Identification Number and Certification). Each Non-U.S. Holder must submit an appropriate, properly completed IRS Form W-8 certifying, under penalties of perjury, to such Non-U.S. Holder's non-U.S. status in order to establish an exemption from backup withholding and information reporting requirements. Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules will be allowed as a refund or credit against your U.S. federal income tax liability, provided that the required information is furnished to the IRS in a timely manner.

Individuals who are U.S. Holders (and to the extent specified in the applicable Treasury Regulations, certain individuals who are non-U.S. Holders and certain U.S. entities) who hold "specified foreign financial assets" (as defined in Section 6038D of the Code and the applicable Treasury Regulations) are required to file IRS Form 8938 (Statement of Specified Foreign Financial Assets) with information relating to each such asset for each taxable year in which the aggregate value of all such assets exceeds $75,000 at any time during the taxable year or $50,000 on the last day of the taxable year. Specified foreign financial assets would include, among other assets, our common stock, unless the common stock were held through an account maintained with a U.S. financial institution. Substantial penalties apply to any failure to timely file IRS Form 8938, unless the failure is shown to be due to reasonable cause and not due to willful neglect. Additionally, the statute of limitations on the assessment and collection of U.S. federal income tax with respect to a taxable year for which the filing of IRS Form 8938 is required may not close until three years after the date on which IRS Form 8938 is filed. U.S. Holders (including U.S. entities) and non-U.S. Holders are encouraged to consult their own tax advisors regarding their reporting obligations under Section 6038D of the Code.

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 Commission. These materials, including this annual report and the accompanying exhibits, are available at http://www.sec.gov. Our filings are also available on our website at http://www.starbulk.com. The information on our website, however, is not, and should not be deemed to be a part of this annual report. You may also obtain copies of the incorporated documents, without charge, upon written or oral request to Star Bulk Carriers Corp., c/o Star Bulk Management Inc., 40 Agiou Konstantinou Str., Maroussi, 15124, Athens, Greece.

I. Subsidiary information

Not Applicable.

Item 11. Quantitative and Qualitative Disclosures about Market Risk

Interest Rates

Our exposure to market risk for changes in interest rate relates primarily to our floating-rate debt. Our floating-rate debt (including bareboat lease financing) arrangements contain interest rates that fluctuate with LIBOR. Significant increases in interest rates could adversely affect our operating margins, results of operations and our ability to service our debt.

From time to time, we take positions in interest rate derivative contracts to manage interest costs and risk associated with changing interest rates with respect to our floating-rate debt. Generally, our approach is to economically hedge a portion of the floating-rate debt and we manage the exposure to the rest of our debt based on our outlook for interest rates and other factors.

We are exposed to credit loss in the event of non-performance by the counterparties to the interest rate derivative contracts which we are trying to minimize by only entering into derivative transactions with counterparties that bear an investment grade rate at the time of the transaction and to the extent possible and practical, with different counterparties to reduce concentration risk.

During the year ended December 31, 2020, we entered into various interest rate swaps with ING Bank N.V (“ING”), DNB Bank ASA (“DNB”), Skandinaviska Enskilda Banken AB (“SEB”), Citibank Europe PLC (“Citi”), Piraeus Bank and Alpha Bank S.A (“Alpha Bank”) to convert a portion of our debt from floating to fixed rate.

During the year ended December 31, 2021, we early terminated certain of those interest rate swaps that were in effect as of December 31, 2020 and entered into new interest rate swap agreements with the National Bank of Greece (“NBG”), SEB and ABN AMRO Bank.

The following table summarizes the interest rate swaps in place as of December 31, 2021.

Counterparty	Trading Date	Inception	Expiry	Fixed Rate	Initial Notional ('000)		Current Notional ('000)	
ING	Mar-20	Mar-20	Mar-26	0.7000%	$	29,960	$	26,215
ING	Mar-20	Apr-20	Oct-25	0.7000%	$	39,375	$	33,750
ING	Mar-20	Apr-20	Apr-23	0.6750%	$	16,157	$	14,293
SEB	Mar-20	Apr-20	Jan-25	0.7270%	$	58,885	$	51,072
Citi	Jun-20	Jul-20	Oct-23	0.3300%	$	104,450	$	86,200
Citi	Jun-20	Aug-20	May-24	0.3510%	$	56,075	$	49,587
Citi	Jun-20	Jun-20	Dec-23	0.3380%	$	94,538	$	74,557
Citi	Jun-20	Jun-20	Aug-23	0.3280%	$	56,915	$	44,075
Citi	Jun-20	Jul-20	Jul-23	0.3250%	$	99,816	$	88,725
Citi	Jun-20	Aug-20	May-24	0.3520%	$	31,350	$	27,700
Citi	Jun-20	Sep-20	Mar-24	0.3430%	$	33,390	$	30,298
ING July 20	Jul-20	Jul-20	Jul-26	0.3700%	$	70,000	$	55,417
SEB	Feb-21	Apr-21	Jan-26	0.4525%	$	37,050	$	33,150
ABN	Feb-21	Mar-21	Dec-23	0.3120%	$	84,548	$	74,557
NBG	Jun-21	Jun-21	Jun-23	0.6500%	$	125,000	$	117,500
					$	**937,508**	**$**	**807,096**

The above interest rate swaps were designated and qualified as cash flow hedges. The effective portion of the unrealized gains/losses from those swaps is recorded in Other Comprehensive Income / (Loss). No portion of the cash flow hedges was ineffective during the years ended December 31, 2020 and 2021.

As of December 31, 2021, all of our outstanding debt is floating rate, please see Item 5. Operating and Financial Review and Prospects - Senior Secured Credit Facilities. The total interest expense of our outstanding debt for the year ended December 31, 2021 was $47.8 million. Our estimated total interest expense for the year ending December 31, 2022 is expected to be $39.7 million. The interest expense related to the floating rate debt reflects an assumed LIBOR-based applicable rate of 0.2091% (the three-month LIBOR rate as of December 31, 2021) or 0.3388% (the six-month LIBOR rate as of December 31, 2021), as applicable, plus the relevant margin of the applicable debt and lease financing arrangement. The following table sets forth the sensitivity of our outstanding debt, including the effect of our interest rate swaps, in millions of Dollars, as of December 31, 2021, as to a 100 basis point increase in LIBOR during the next five years.

For the year ending December 31,	Estimated amount of interest expense	Estimated amount of interest expense after an increase of 100 basis points	Increase in interest expense if LIBOR increases by 100 basis points
2022	39.7	46.4	6.7
2023	32.8	40.3	7.5
2024	25.4	33.3	7.9
2025	18.3	24.5	6.2
2026	10.3	13.9	3.6

Currency and Exchange Rates

We generate all of our revenues in Dollars and approximately 3% of our operating expenses were incurred in currencies other than the Dollar during 2021, of which 2% is in Euros. Further, 56% of our General and administrative expenses were incurred in currencies other than the Dollar during 2021, of which 53% is in Euros. For accounting purposes, expenses incurred in Euros or other foreign currencies (except Dollars) are converted into Dollars at the exchange rate prevailing on the date of each transaction. Because a significant portion of our expenses are incurred in currencies other than the Dollar, our expenses may from time to time increase relative to our revenues as a result of fluctuations in exchange rates, particularly between the Dollar and the Euro, which could affect the amount of net income that we report in future periods. As of December 31, 2021, the effect of an adverse movement in Dollar/Euro exchange rates by 1% would have resulted in an increase of $0.2 million and $0.04 million in our General and administrative expense and our operating expenses, respectively. 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. The use of financial derivatives or non-derivative instruments, including foreign exchange forward agreements, 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 or non-derivative transaction may be unable or unwilling to satisfy its contractual obligations, which could have an adverse effect on our results.

Freight Derivatives

From time to time, we take positions in freight derivatives, mainly through Freight Forward Agreements ("FFAs"). Generally, freight derivatives may be used to hedge a vessel owner's exposure to the charter market for a specified route and period of time. If we take positions in freight derivatives we could suffer losses in the settling or termination of these agreements. This could adversely affect our results of operations and cash flow.

During the years ended December 31, 2020 and 2021, we entered into a number of FFAs and options for FFAs on the Capesize, Panamax and Supramax indexes. We use the freight derivatives as an economic hedge to reduce the risk on specific vessels trading in the spot market, or to take advantage of short term fluctuations in the market prices. The vast majority of our FFAs are settled on a daily basis through reputable exchanges such as London Clearing House (LCH), Singapore Exchange (SGX) or Nasdaq. Customary requirements for trading in FFAs include the maintenance of initial and variation margins based on expected volatility, open position and mark to market of the contracts. Our freight derivatives do not qualify as cash flow hedges for accounting purposes and therefore gains or losses are recognized in earnings.

As of December 31, 2020, the fair value of our outstanding freight derivatives was a payable of $0.2 million and as of December 31, 2021, the fair value of our outstanding freight derivatives was a receivable of $1.6 million. A change in the daily forward rates of $1,000 would not have a material impact in the Company's financial position as of December 31, 2021. In 2020, we recorded a net loss on our freight derivatives of $6.4 million and in 2021, we recorded a net gain of $3.1 million.

Bunker Swap Agreements

From time to time, we enter into bunker swap contracts to manage our exposure to fluctuations of bunker prices associated with the consumption of bunkers by our vessels. Bunker swaps are agreements between two parties to exchange cash flows at a fixed price on bunkers, where volume, time period and price are agreed in advance. If we take positions in bunker swaps or other derivative instruments we could suffer losses in the settling or termination of these agreements. This could adversely affect our results of operations and cash flow.

During the years ended December 31, 2020 and 2021, we entered into a number of bunker swaps. We use these bunker swaps as an economic hedge to reduce the risk on bunker price differentials. Our bunker swaps are settled through reputable clearing houses. Our bunker swaps do not qualify as cash flow hedges for accounting purposes and therefore gains or losses are recognized in earnings. Bunker swaps are treated as assets/liabilities until they are settled.

As of December 31, 2020, no outstanding bunker swap agreements existed. As of December 31, 2021, the fair value of our outstanding bunker swap agreements was a payable of $0.3 million, all of them expiring within the first quarter of 2022. In 2020 and 2021, we recorded a total net gain of $22.6 million and $0.5 million, respectively, on our bunker swaps.

Item 12. Description of Securities Other than Equity Securities

A. Debt securities

Not Applicable.

B. Warrants and rights

Not Applicable.

C. Other securities

Not Applicable.

D. American depository shares

Not Applicable.

PART II.

Item 13. Defaults, Dividend Arrearages and Delinquencies

None.

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

None.

Item 15. Controls and Procedures

(a) Disclosure Controls and Procedures

As of December 31, 2021, our management (with the participation of our Chief Executive Officer and Co-Chief Financial Officers) conducted an evaluation pursuant to Rule 13a-15 and 15d-15 promulgated under the Exchange Act, of the effectiveness of the design and operation of our disclosure controls and procedures. Based on the evaluation, our Chief Executive Officer and Co-Chief Financial Officers concluded that as of December 31, 2021, our disclosure controls and procedures, which include, without limitation, controls and procedures designed to ensure that information required to be disclosed by us in the reports we file or submit under the Exchange Act is accumulated and communicated to the management, including our Chief Executive Officer and Co-Chief Financial Officers, as appropriate to allow timely decisions regarding required disclosure, were effective to provide reasonable assurance that information required to be disclosed by us in reports we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the Commission.

(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 defined in Rules 13a-15 and 15d-15 under the Securities and Exchange Act of 1934, as amended. Our internal control over financial reporting is a process designed by, or under the supervision of our Chief Executive Officer and Co-Chief Financial Officers, and carried out by our Board of Directors, management, and other personnel, to provide reasonable assurance regarding the reliability of our financial reporting and the preparation of our consolidated financial statements for external reporting purposes in accordance with U.S. GAAP. Our internal control over financial reporting includes policies and procedures that:

- Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect transactions and dispositions of our assets;

- Provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with U.S. GAAP, and that receipts and expenditures are being made only in accordance with authorizations of our management and directors; and

- Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of our assets that could have a material effect on the consolidated financial statements.

Management has conducted an assessment of the effectiveness of our internal control over financial reporting based on the framework established in the "Internal Control - Integrated Framework" issued by the Committee of Sponsoring Organizations of the Treadway Commission, or COSO, (2013 Framework).

Based on this assessment, management has determined that our internal control over financial reporting as of December 31, 2021 is effective.

(c) Attestation Report of the Independent Registered Public Accounting Firm

The attestation report on the Company's internal control over financial reporting issued by the registered public accounting firm that audited the consolidated financial statements Deloitte Certified Public Accountants S.A., appears under "Item 18. Financial Statements" of this annual report and is incorporated herein by reference.

(d) Changes in Internal Control over Financial Reporting

There were no changes in our internal controls over financial reporting that occurred during the period covered by this annual report that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Inherent Limitations on Effectiveness of Controls

Our management, including our Chief Executive Officer and the Co-Chief Financial Officers, does 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. Our disclosure controls and procedures are designed to provide reasonable assurance of achieving their objectives. 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. Further, in the design and evaluation of our disclosure controls and procedures our management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

Item 16A. Audit Committee Financial Expert

Our Board of Directors has determined that Mr. Karellis, whose biographical details are included in "Item 6. Directors and Senior Management," the chairman of our Audit Committee qualifies as a financial expert and is considered to be independent according to the Commission rules.

Item 16B. Code of Ethics

We have adopted a code of ethics that applies to our directors, officers and employees. A copy of our code of ethics is posted in the "Corporate Governance" section of our website, and may be viewed at http://www.starbulk.com/gr/en/code-of-ethics/. Any waivers that are granted from any provision of our Code of Ethics may be disclosed on our website within five business days following the date of such waiver. The information on our website is not incorporated by reference into this annual report. We will also provide a hard copy of our code of ethics free of charge upon written request of a shareholder. Shareholders may direct their requests to the attention of Investor Relations, c/o Star Bulk Management Inc., 40 Agiou Konstantinou Str., Maroussi 15124, Athens, Greece.

Item 16C. Principal Accountant Fees and Services

Deloitte Certified Public Accountants S.A. ("Deloitte") (PCAOB ID No. 1163), an independent registered public accounting firm, has audited our annual financial statements acting as our independent auditor for the fiscal years ended December 31, 2019, 2020 and 2021. Ernst & Young (Hellas) Certified Auditors Accountants S.A. ("Ernst & Young"), an independent registered public accounting firm, has audited our annual financial statements acting as our independent auditor for the fiscal year ended December 31, 2017. This table below sets forth the total amounts billed and accrued for Deloitte and Ernst.

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(In thousands of Dollars)	**2020**	**2021**
Audit fees (a)	$ 645	$ 691
Audit-related fees (b)	55	55
Tax fees (c)	—	—
All other fees (d)	47	39
Total fees	$ 747	$ 785

(a) **Audit Fees**: Audit fees represent professional services rendered for the audit of our annual financial statements and services provided by the principal accountant in connection with statutory and regulatory filings or engagements.

(b) **Audit-Related Fees**: Audit-related fees consisted of assurance and other services which have not been reported under Audit Fees above.

(c) **Tax Fees**: Tax fees represent fees for professional services for tax compliance, tax advice and tax planning.

(d) **All Other Fees**: All other fees include services other than audit fees, audit-related fees and tax fees set forth above.

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

Not Applicable.

Item 16E. Purchases of Equity Securities by the Issuer and Affiliated Purchasers

Share Repurchase Program

On August 5, 2021, our Board of Directors authorized a share repurchase program (the "Share Repurchase Program") to purchase up to an aggregate of $50.0 million of our common shares. The timing and amount of any repurchases will be in the sole discretion of our management team, and will depend on legal requirements, market conditions, share price, alternative uses of capital and other factors. Repurchases of common shares may take place in privately negotiated transactions, in open market transactions pursuant to Rule 10b-18 of the Exchange Act and/or pursuant to a trading plan adopted in accordance with Rule 10b5-1 of the Exchange Act. We are not obligated under the terms of the Share Repurchase Program to repurchase any of our common shares. The Share Repurchase Program has no expiration date and may be suspended or terminated by us at any time without prior notice. We will cancel common shares repurchased as part of this program. During the year ended December 31, 2021, we purchased the following common shares:

Period	**(a) Total Number of Shares (or Units) Purchased**	**(b) Average Price Paid per Share (or Unit) (1)**	**(c) Total Number of Shares (or Units) 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**
October 14-15, 2021	466,268	$22.0138	466,268	$39,735,662
Total	**466,268**	N/A	**466,268**	N/A

(1) The average price paid per share does not include commissions paid for each transaction.

The repurchased shares were cancelled and removed from the Company's share capital as of December 31, 2021.

Item 16F. Change in Registrants Certifying Accountant

Not applicable.

Item 16G. Corporate Governance

As a foreign private issuer, we are permitted to follow home country practices in lieu of certain Nasdaq corporate governance requirements. We have certified to Nasdaq that our corporate governance practices are in compliance with, and are not prohibited by, the laws of the Republic of the Marshall Islands. We are exempt from many of Nasdaq's corporate governance practices other than the requirements regarding the disclosure of a going concern audit opinion, submission of a listing agreement, notification of material non-compliance with Nasdaq corporate governance practices, the voting rights agreement and the establishment and composition of an audit committee and a formal written audit committee charter. The practices we follow in lieu of Nasdaq's corporate governance requirements are as follows:

- While our Board of Directors is currently comprised of directors a majority of whom are independent, we cannot assure you that in the future we will have a majority of independent directors. Our Board of Directors does not hold annual meetings or executive sessions at which only independent directors are present.

- Consistent with Marshall Islands law requirements, in lieu of obtaining an independent review of related party transactions for conflicts of interests, our Bylaws require any director who has a potential conflict of interest to identify and declare the nature of the conflict to the Board of Directors at the next meeting of the Board of Directors. Our code of ethics and Bylaws additionally provide that related party transactions must be approved by a majority of the independent and disinterested directors. If the votes of such independent and disinterested directors are insufficient to constitute an act of the Board of Directors, then the related party transaction may be approved by a unanimous vote of the disinterested directors.

- In lieu of obtaining shareholder approval prior to the issuance of designated securities, we plan to obtain the approval of our Board of Directors for such share issuances.

- While our audit, compensation and nominating and corporate governance committees are currently comprised of directors who are all independent, we cannot assure you that in the future we will have committees composed completely of independent directors.

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 and as provided in Bylaws, we will notify our shareholders of meetings between 10 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 shareholders must give between 120 and 180 days advance notice to properly introduce any business at a meeting of the shareholders.

Other than as noted above, we are in full compliance with applicable Nasdaq corporate governance standard requirements for U.S. domestic issuers.

Item 16H. Mine Safety Disclosure

Not Applicable.

PART III.

Item 17. Financial Statements

See "Item 18. Financial Statements."

Item 18. Financial Statements

The financial statements beginning on page F-1 together with the respective reports of the Independent Registered Public Accounting Firms are filed as part of this annual report.

Item 19. Exhibits

Exhibit Number	Description
1.1	Fourth Amended and Restated Articles of Incorporation of Star Bulk Carriers Corp. (included as Exhibit 3.1 of the Company's Form 6-K, which was filed with the Commission on June 23, 2016 and incorporated herein by reference).
1.2	Third Amended and Restated Bylaws of the Company (included as Exhibit 1.2 of the Company's Form 20-F, which was filed with the Commission on April 8, 2015 and incorporated herein by reference).
2.1	Form of Share Certificate (included as Exhibit 2.1 of the Company's Form 20-F, which was filed with the Commission on April 8, 2015 and incorporated herein by reference).
4.1	Amended and Restated Registration Rights Agreement dated July 11, 2014 (included as Annex E to Exhibit 99.1 to the Company's Current Report on Form 6-K, dated June 20, 2014 and incorporated herein by reference).
4.2	Amendment No. 1 to Amended and Restated Registration Rights Agreement dated August 28, 2014 (included as Exhibit 99.2 to the Company's Current Report on Form 6-K, dated September 3, 2014 and incorporated herein by reference).
4.3	Amendment No. 2 to Amended and Restated Registration Rights Agreement dated May 15, 2017 (included as Exhibit 4.3 to the Company's Form 20-F, which was filed with the Commission on March 27, 2020 and incorporated herein by reference).
4.4	Amendment No. 3 to Amended and Restated Registration Rights Agreement dated August 3, 2018 (included as Exhibit 4.4 to the Company's Form 20-F, which was filed with the Commission on March 27, 2020 and incorporated herein by reference).
4.5	Oaktree Shareholders Agreement (included as Annex B to Exhibit 99.1 to the Company's Current Report on Form 6-K, dated June 20, 2014 and incorporated herein by reference).
4.6	Pappas Shareholder Agreement by and among the Company and the parties named therein dated July 11, 2014 (included as Exhibit 99.3 to the Company's Current Report on Form 6-K, dated June 16, 2014 and incorporated herein by reference).
4.7	2019 Equity Incentive Plan (included as Exhibit 4.9 to the Company's Form 20-F, which was filed with the Commission on March 27, 2020 and incorporated herein by reference).
4.8	2020 Equity Incentive Plan (included as Exhibit 4.10 to the Company's Form 20-F, as amended, which was filed with the Commission on April 2, 2021 and incorporated herein by reference).
4.9*	2021 Equity Incentive Plan.
4.10	Description of Common Shares (included as Exhibit 4.10 to the Company's Form 20-F, which was filed with the Commission on March 27, 2020 and incorporated herein by reference).
4.11	Registration Rights Agreement dated February 2, 2021 (included as Exhibit 4.13 to the Company's Form 20-F, which was filed with the Commission on April 2, 2021 and incorporated herein by reference).
8.1*	Subsidiaries of the Company.
11.1	Code of Ethics (included as Exhibit 11.1 to the Company's Form 20-F/A, which was filed with the Commission on April 2, 2020 and incorporated herein by reference).

12.1*	Certification of the Principal Executive Officer pursuant to Rule 13a-14(a) and Rule 15d-14(a) of the Securities Exchange Act, as amended
12.2*	Certification of the Principal Financial Officer pursuant to Rule 13a-14(a) and Rule 15d-14(a) of the Securities Exchange Act, as amended
13.1*	Certification of the Principal Executive Officer pursuant to 18 USC Section 1350, as adopted, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
13.2*	Certification of the Principal Financial Officer pursuant to 18 USC Section 1350, as adopted, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
15.2*	Consent of Independent Registered Public Accounting Firm (Deloitte Certified Public Accountants S.A.)
101	The following materials from the Company's annual report on Form 20-F for the fiscal year ended December 31, 2021, formatted in Extensible Business Reporting Language (XBRL): (i) Consolidated Balance Sheets as of December 31, 2020 and 2021; (ii) Consolidated Statements of Operations for the years ended December 31, 2019, 2020 and 2021; (iii)Consolidated Statements of Comprehensive Income / (Loss) for the years ended December 31, 2019, 2020 and 2021; (iv)Consolidated Statements of Shareholders' Equity for the for the years ended December 31, 2019, 2020 and 2021; (v) Consolidated Statements of Cash Flows for the for the years ended December 31, 2019, 2020 and 2021; 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.

Date: March 15, 2022

Star Bulk Carriers Corp.
(Registrant)

By: /s/ Petros Pappas
Name: Petros Pappas
Title: Chief Executive Officer

STAR BULK CARRIERS CORP.

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Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Directors of Star Bulk Carriers Corp.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Star Bulk Carriers Corp. and subsidiaries (the "Company") as of December 31, 2021 and 2020, the related consolidated statements of operations, comprehensive income/(loss), shareholders' equity, and cash flows, for each of the three years in the period ended December 31, 2021, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2021 and 2020, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2021, in conformity with accounting principles generally accepted in the United States of America.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2021, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated March 15, 2022, expressed an unqualified opinion on the Company's internal control over financial reporting.

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 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. 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.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current-period audit of the financial statements that was communicated or required to be communicated to the audit committee and that (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Impairment of long-lived assets – Future Charter Rates – Refer to Note 2 of the consolidated financial statements.

Critical Audit Matter Description

The Company's evaluation of vessels held for use by the Company for impairment involves an initial assessment of each vessel to determine whether events or changes in circumstances indicate that the carrying amount of the vessel assets may not be recoverable. Total vessels as of December 31, 2021 were $3.01 billion.

When the initial assessment suggests impairment indicators, the Company compares future undiscounted net operating cash flows to the carrying values of the related vessel to determine if the vessel is required to be impaired. When the Company's estimate of future undiscounted net operating cash flows, excluding interest charges, expected to be generated by the use and eventual disposition of the vessel is less than its carrying amount, the Company records an impairment loss to the extent the vessel's carrying value exceeds its fair market value.

The Company makes significant assumptions and judgments to determine the future undiscounted net operating cash flows expected to be generated over the remaining useful life of the vessel asset, including estimates and assumptions related to the future charter rates. Future charter rates are the most significant and subjective assumption that the Company uses for its impairment analysis. For periods of time where the vessels are not fixed on time charters or spot market voyage charters, the Company estimates the future daily time charter equivalent for the vessels' unfixed days based on the current Forward Freight Agreement ("FFA") rates of the respective calendar year for each of the first three years, average of the FFA rate of the third year and the historical average market rate of similar size vessels for the fourth year, and historical average market rates of similar size vessels for the period thereafter. In addition, in light of the Company's investment in exhaust gas cleaning systems ("EGCS" or "scrubbers"), an estimate of an additional daily revenue for each scrubber-fitted vessel is also included, reflecting additional compensation from charterers due to the fuel cost savings that these vessels provide ("scrubber premium"). These assumptions are based on historical trends as well as future expectations.

We identified future charter rates used in the future undiscounted net operating cash flows as a critical audit matter because of the complex judgements made by management to estimate them and the significant impact they have on undiscounted cash flows expected to be generated over the remaining useful life of the vessel.

This required a high degree of auditor judgment and an increased extent of effort when performing audit procedures to evaluate the reasonableness of management's future charter rates.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to the future charter rates utilized in the future undiscounted net operating cash flows included the following, among others:

- We tested the effectiveness of controls over management's review of the impairment analysis, including the future charter rates used within the future undiscounted net operating cash flows.

- We evaluated the reasonableness of the Company's estimate of future charter rates through the performance of the following procedures:

  1. Evaluating the Company's methodology for estimating the future charter rates by comparing the future charter rates utilized in the future undiscounted net operating cash flows to 1) the Company's historical rates, including the actual scrubber premium earned on the Company's past charter contracts, 2) historical rate information by vessel class published by third parties and 3) other external market sources, including analysts' reports.

  2. Considering the consistency of the assumptions used in the future charter rates, including scrubber premium, with evidence obtained in other areas of the audit. This included 1) internal communications by management to the board of directors, and 2) external communications by management to analysts and investors.

  3. Evaluating management's ability to accurately forecast by comparing actual results to management's historical forecasts.

/s/ Deloitte Certified Public Accountants S.A.
Athens, Greece
March 15, 2022

We have served as the Company's auditor since 2018.

Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Directors of Star Bulk Carriers Corp.

Opinion on Internal Control over Financial Reporting

We have audited the internal control over financial reporting of Star Bulk Carriers Corp. and subsidiaries (the “Company”) as of December 31, 2021, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2021, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by COSO.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated financial statements as of and for the year ended December 31, 2021, of the Company and our report dated March 15, 2022, expressed an unqualified opinion on those financial statements.

Basis for Opinion

The Company’s management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying “Management’s Annual Report on Internal Control Over Financial Reporting”. Our responsibility is to express an opinion on the Company’s internal control over financial reporting based on our audit. We are a public accounting firm registered with the 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 audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control over Financial Reporting

A company’s internal control over financial reporting is a process designed 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. A company’s internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Deloitte Certified Public Accountants S.A.
Athens, Greece
March 15, 2022

STAR BULK CARRIERS CORP.
Consolidated Balance Sheets
As of December 31, 2020 and 2021
(Expressed in thousands of U.S. dollars except for share and per share data unless otherwise stated)

	December 31, 2020	December 31, 2021
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 183,211	$ 450,285
Restricted cash, current (Notes 7 and 17)	7,299	20,965
Trade accounts receivable, net	38,090	81,061
Inventories (Note 4)	47,294	75,077
Due from managers	358	9,422
Due from related parties (Note 3)	481	242
Prepaid expenses and other receivables	17,687	28,659
Derivatives, current asset portion (Note 17)	–	1,996
Other current assets (Note 15)	12,991	15,217
Total Current Assets	307,411	682,924
FIXED ASSETS		
Vessels and other fixed assets, net (Note 5)	2,877,119	3,013,038
Total Fixed Assets	2,877,119	3,013,038
OTHER NON-CURRENT ASSETS		
Long term investment (Note 3)	1,321	1,567
Restricted cash, non-current (Notes 7 and 17)	5,021	2,021
Operating leases, right-of-use assets (Note 2)	886	48,256
Derivatives, non-current asset portion (Note 17)	–	6,913
Other non-current assets	35	–
TOTAL ASSETS	**$ 3,191,793**	**$ 3,754,719**
LIABILITIES & SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		
Current portion of long-term bank loans (Note 7)	$ 144,900	$ 156,701
Lease financing short term (Note 6)	44,873	50,434
Accounts payable	32,853	21,837
Due to managers	7,813	3,885
Due to related parties (Note 3)	1,439	1,426
Accrued liabilities (Note 12)	20,940	30,810
Derivatives, current liability portion (Note 17)	1,939	743
Deferred revenue	11,675	24,960
Total Current Liabilities	266,432	290,796
NON-CURRENT LIABILITIES		
8.30% 2022 Notes, net of unamortized notes issuance costs of $768 as of December 31, 2020 (Note 7)	49,232	–
Long-term bank loans, net of current portion and unamortized loan issuance costs of $13,761 and $10,853, as of December 31, 2020 and 2021, respectively (Note 7)	938,699	932,554
Lease financing long term, net of unamortized lease issuance costs of $6,181 and $5,318, as of December 31, 2020 and 2021, respectively (Note 6)	382,417	402,039
Derivatives, non-current liability portion (Note 17)	2,265	–
Fair value of below market time charters acquired	1,289	–
Operating lease liabilities (Note 2)	886	48,256
Other non-current liabilities	1,046	1,056
TOTAL LIABILITIES	1,642,266	1,674,701
COMMITMENTS & CONTINGENCIES (Note 14)		
SHAREHOLDERS' EQUITY		
Preferred Shares; $0.01 par value, authorized 25,000,000 shares; none issued or outstanding at December 31, 2020 and 2021, respectively (Note 8)	–	–
Common Shares, $0.01 par value, 300,000,000 shares authorized; 97,146,687 shares issued and 97,139,716 shares (net of treasury shares) outstanding as of December 31, 2020; 102,294,758 shares issued and outstanding as of December 31, 2021 (Note 8)	971	1,023
Additional paid in capital	2,548,956	2,618,319
Treasury shares (6,971 and nil shares at December 31, 2020 and 2021, respectively)	(93)	–
Accumulated other comprehensive income/(loss)	(3,993)	6,933
Accumulated deficit	(996,314)	(546,257)
Total Shareholders' Equity	1,549,527	2,080,018
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**$ 3,191,793**	**$ 3,754,719**

The accompanying notes are integral part of these consolidated financial statements.

STAR BULK CARRIERS CORP.
Consolidated Statements of Operations
For the years ended December 31, 2019, 2020 and 2021
(Expressed in thousands of U.S. dollars except for share and per share data unless otherwise stated)

	Years ended December 31,		
	2019	**2020**	**2021**
Revenues:			
Voyage revenues (Note 15)	$ 821,365	$ 693,241	$ 1,427,423
Expenses			
Voyage expenses (Notes 3 and 16)	222,962	200,058	226,111
Charter-in hire expenses (Note 3)	126,813	32,055	14,565
Vessel operating expenses (Note 16)	160,062	178,543	208,661
Dry docking expenses	57,444	23,519	30,986
Depreciation (Note 5)	124,280	142,293	152,640
Management fees (Notes 3 and 9)	17,500	18,405	19,489
General and administrative expenses (Note 3)	34,819	31,881	39,500
Impairment loss (Notes 5 and 17)	3,411	—	—
(Gain)/Loss on time charter agreement termination	—	—	(1,102)
Other operational loss	110	1,513	2,214
Other operational gain	(2,423)	(3,231)	(2,110)
Provision for doubtful debts	1,607	373	629
(Gain)/Loss on forward freight agreements and bunker swaps, net (Note 17)	(4,411)	(16,156)	(3,564)
(Gain)/Loss on sale of vessels (Note 5)	5,493	—	—
Total operating expenses	747,667	609,253	688,019
Operating income / (loss)	**73,698**	**83,988**	**739,404**
Other Income/ (Expenses):			
Interest and finance costs (Note 7)	(87,617)	(69,555)	(56,036)
Interest and other income/(loss)	1,299	267	315
Loss on debt extinguishment (Note 7)	(3,526)	(4,924)	(3,257)
Total other expenses, net	**(89,844)**	**(74,212)**	**(58,978)**
Income / (loss) before taxes and equity in income of investee	**$ (16,146)**	**$ 9,776**	**$ 680,426**
Income taxes (Note 13)	(109)	(152)	(16)
Income/(Loss) before equity in income of investee	**(16,255)**	**9,624**	**680,410**
Equity in income / (loss) of investee	54	36	120
Net income/(loss)	**(16,201)**	**9,660**	**680,530**
Earnings / (Loss) per share, basic	$ (0.17)	$ 0.10	$ 6.73
Earnings / (Loss) per share, diluted	(0.17)	0.10	6.71
Weighted average number of shares outstanding, basic (Note 11)	93,735,549	96,128,173	101,183,829
Weighted average number of shares outstanding, diluted (Note 11)	93,735,549	96,281,389	101,479,072

The accompanying notes are integral part of these consolidated financial statements.

STAR BULK CARRIERS CORP.
Consolidated Statements of Comprehensive Income/ (Loss)
For the years ended December 31, 2019, 2020 and 2021
(Expressed in thousands of U.S. dollars except for share and per share data unless otherwise stated)

	Years ended December 31,		
	2019	**2020**	**2021**
Net income / (loss)	**$ (16,201)**	**$ 9,660**	**$ 680,530**
Other comprehensive income / (loss):			
Unrealized gains / losses from cash flow hedges:			
Unrealized gain / (loss) from hedging interest rate swaps recognized in Other comprehensive income/(loss) before reclassifications	—	(4,841)	8,575
Less:			
Reclassification adjustments of interest rate swap gain/(loss)	—	848	2,351
Other comprehensive income / (loss)	**—**	**(3,993)**	**10,926**
Total comprehensive income / (loss)	**$ (16,201)**	**$ 5,667**	**$ 691,456**

The accompanying notes are integral part of these consolidated financial statements.

STAR BULK CARRIERS CORP.
Consolidated Statements of Shareholders' Equity
For the years ended December 31, 2019, 2020 and 2021
(Expressed in thousands of U.S. dollars except for share and per share data unless otherwise stated)

	Common Stock						
	# of Shares	Par Value	Additional Paid-in Capital	Accumulated Other Comprehensive income/(loss)	Accumulated deficit	Treasury stock	Total Shareholders' Equity
BALANCE, January 1, 2019	**92,627,349**	**$ 926**	**$ 2,502,429**	**$ –**	**$ (980,165)**	**$ (3,145)**	**$ 1,520,045**
Net income / (loss)	–	–	–	–	(16,201)	–	(16,201)
Issuance of vested and non-vested shares and amortization of share-based compensation (Note 10)	883,700	9	7,934	–	–	–	7,943
Dividend declared and paid ($0.05 per share) (Note 8)	–	–	–	–	(4,804)	–	(4,804)
Acquisition of Songa Vessels	–	–	–	–	–	(93)	(93)
Acquisition of E.R Vessels (Notes 5 and 8)	999,336	10	10,055	–	–	–	10,065
Purchase of treasury stock (Note 8)	(2,940,558)	(29)	(23,546)	–	–	3,145	(20,430)
Acquisition of Delphin vessels (Notes 5 and 8)	4,503,370	45	47,470	–	–	–	47,515
BALANCE, December 31, 2019	**96,073,197**	**$ 961**	**$ 2,544,342**	**$ –**	**$ (1,001,170)**	**$ (93)**	**$ 1,544,040**
Net income / (loss)	–	–	–	–	9,660	–	9,660
Other comprehensive income / (loss)	–	–	–	(3,993)	–	–	(3,993)
Issuance of vested and non-vested shares and amortization of share-based compensation (Note 10)	1,073,490	10	4,614	–	–	–	4,624
Dividend declared and paid ($0.05 per share) (Note 8)	–	–	–	–	(4,804)	–	(4,804)
BALANCE, December 31, 2020	**97,146,687**	**$ 971**	**$ 2,548,956**	**$ (3,993)**	**$ (996,314)**	**$ (93)**	**$ 1,549,527**
Net income / (loss)	–	–	–	–	680,530	–	680,530
Other comprehensive income / (loss)	–	–	–	10,926	–	–	10,926
Issuance of vested and non-vested shares and amortization of share-based compensation (Note 10)	521,310	5	10,330	–	–	–	10,335
Acquisition of Eneti vessels (Note 8)	3,000,000	30	47,545	–	–	–	47,575
Acquisition of ER vessels (Note 8)	2,100,000	21	22,147	–	–	–	22,168

Offering expenses	–		–		(292)		–		–		–		(292)
Cancellation of treasury stock (Note 8)	(6,971)		–		(93)		–		–		93		–
Dividend declared ($2.25 per share) (Note 8)	–		–		–		–		(230,473)		–		(230,473)
Purchase of treasury stock (Note 8)	(466,268)		(4)		(10,274)		–		–		–		(10,278)
BALANCE, December 31, 2021	**102,294,758**	**$**	**1,023**	**$**	**2,618,319**	**$**	**6,933**	**$**	**(546,257)**	**$**	**—**	**$**	**2,080,018**

The accompanying notes are integral part of these consolidated financial statements.

STAR BULK CARRIERS CORP.
Consolidated Statements of Cash Flows
For the years ended December 31, 2019, 2020 and 2021
(Expressed in thousands of U.S. dollars except for share and per share data unless otherwise stated)

	Years ended December 31,		
	2019	2020	2021
Cash Flows from Operating Activities:			
Net income / (loss)	$ (16,201)	$ 9,660	$ 680,530
Adjustments to reconcile net income/(loss) to net cash provided by/(used in) operating activities:			
Depreciation (Note 5)	124,280	142,293	152,640
Amortisation of fair value of above market time charters	336	–	–
Amortisation of fair value of below market time charters	(2,349)	(1,184)	(187)
Amortization of debt (loan, lease & notes) issuance costs (Note 7)	5,590	7,815	6,511
Loss on debt extinguishment (Note 7)	3,526	4,924	3,257
Impairment loss (Note 5)	3,411	–	–
Loss / (gain) on sale of vessels (Note 5)	5,493	–	–
Provision for doubtful debts	1,607	373	629
Share-based compensation (Note 10)	7,943	4,624	10,335
(Gain)/Loss on time charter agreement termination	–	–	(1,102)
Change in fair value of forward freight derivatives and bunker swaps (Note 17)	246	(1,295)	(1,508)
Other non-cash charges	28	276	(116)
Gain on hull and machinery claims	(2,264)	(2,154)	(192)
Equity in income / (loss) of investee	(54)	(36)	(120)
Changes in operating assets and liabilities:			
(Increase)/Decrease in:			
Trade accounts receivable	(20,383)	20,322	(43,600)
Inventories	(23,717)	3,859	(27,783)
Prepaid expenses and other receivables	(14,940)	(2,211)	(19,012)
Derivatives asset	–	(2)	500
Due from related parties	732	109	239
Due from managers	(615)	541	(9,064)
Other non-current assets	(357)	(1)	–
Increase/(Decrease) in:			
Accounts payable	3,627	(3,052)	(8,040)
Due to related parties	2,368	(2,578)	(13)
Accrued liabilities	11,675	(18,064)	13,810
Due to managers	2,024	2,032	(3,928)
Deferred revenue	(3,481)	4,301	13,285
Net cash provided by / (used in) Operating Activities	88,525	170,552	767,071
Cash Flows from Investing Activities:			
Advances for vessels & vessel upgrades and other fixed assets	(347,140)	(72,059)	(130,147)
Cash proceeds from vessel sales (Note 5)	56,632	–	–
Hull and machinery insurance proceeds	10,671	5,725	8,884
Net cash provided by / (used in) Investing Activities	(279,837)	(66,334)	(121,263)
Cash Flows from Financing Activities:			
Proceeds from bank loans, leases and notes	768,282	687,792	470,650
Loan and lease prepayments and repayments	(623,892)	(708,910)	(593,183)
Financing and debt extinguishment fees paid	(15,366)	(9,027)	(4,584)
Dividends paid (Note 8)	(4,804)	(4,804)	(230,240)
Offering expenses paid related to the issuance of common stock	–	–	(433)
Repurchase of common shares	(20,523)	–	(10,278)
Net cash provided by / (used in) Financing Activities	103,697	(34,949)	(368,068)
Net increase/(decrease) in cash and cash equivalents and restricted cash	(87,615)	69,269	277,740
Cash and cash equivalents and restricted cash at beginning of period	213,877	126,262	195,531
Cash and cash equivalents and restricted cash at end of period	$ 126,262	$ 195,531	$ 473,271

SUPPLEMENTAL CASH FLOW INFORMATION:

	2019	2020	2021
Cash paid during the period for:			
Interest	$ 82,172	$ 61,557	$ 49,658
Non-cash investing and financing activities:			
Shares issued in connection with vessel acquisitions	57,580	–	69,884
Vessel upgrades	27,848	9,674	–
Assumed debt upon acquisition	–	–	99,601
Right-of use assets and lease obligations for charter-in contracts	–	–	48,796
Dividends declared but not paid	–	–	233

Reconciliation of (a) cash and cash equivalents, and restricted cash reported within the consolidated balance sheets to (b) the total amount of such items reported in the statements of cash flows:			
Cash and cash equivalents	$ 117,819	$ 183,211	$ 450,285
Restricted cash, current (Note 7)	7,422	7,299	20,965
Restricted cash, non-current (Note 7)	1,021	5,021	2,021
Cash and cash equivalents and restricted cash at end of period shown in the statement of cash flows	**$ 126,262**	**$ 195,531**	**$ 473,271**

The accompanying notes are integral part of these consolidated financial statements.

STAR BULK CARRIERS CORP.
Notes to Consolidated Financial Statements
December 31, 2021
(Expressed in thousands of U.S. dollars except for share and per share data unless otherwise stated)

1. Basis of Presentation and General Information:

The consolidated financial statements as of December 31, 2020 and 2021 and for the years ended December 31, 2019, 2020 and 2021, include the accounts of Star Bulk Carriers Corp. ("Star Bulk") and its wholly owned subsidiaries as set forth below (collectively, the "Company").

Star Bulk was incorporated on December 13, 2006 under the laws of the Marshall Islands and maintains offices in Athens, Oslo, New York, Limassol, and Singapore. The Company is engaged in the ocean transportation of dry bulk cargoes worldwide through the ownership and operation of dry bulk carrier vessels. Since December 3, 2007, Star Bulk shares trade on the NASDAQ Global Select Market under the ticker symbol "SBLK".

On March 11, 2020, the World Health Organization declared the 2019 Novel Coronavirus (the "Covid-19") outbreak a pandemic. In response to the outbreak, many countries, ports and organizations, including those where the Company conducts a large part of its operations, have implemented measures to combat the outbreak, such as quarantines and travel restrictions. These measures have resulted in a significant reduction in global economic activity and extreme volatility in the global financial markets. There continues to be a high level of uncertainty relating to how the pandemic will evolve, including the new Omicron variant of COVID-19, which appears to be the most transmissible variant to date, the availability of vaccines and their global deployment, the development of effective treatments, the imposition of effective public safety and other protective measures and the public's and government's responses to such measures. At present, it is not possible to ascertain any future impact of Covid-19 on the Company's operational and financial performance, which may take some time to materialize and may not be fully reflected in the Company's results for 2020 and 2021. The recent reopening of the global economy and consequent increased demand across all key dry bulk commodities has positively affected the Company's revenues. On the other hand, as a result of COVID-19 restrictions imposed since 2020, additional crew expenses were incurred. However, an increase in the severity or duration or a resurgence of the Covid-19 pandemic and the continued distribution and effectiveness of vaccines could have a material adverse effect on the Company's business, results of operations, cash flows, financial condition, the carrying value of the Company's assets, the fair values of the Company's vessels, and the Company's ability to pay dividends.

As of December 31, 2021, the Company owned a modern fleet of 128 dry bulk vessels consisting of Newcastlemax, Capesize, Post Panamax, Kamsarmax, Panamax, Ultramax and Supramax vessels with a carrying capacity between 52,425 deadweight tonnage ("dwt") and 209,529 dwt, and a combined carrying capacity of 14.1 million dwt. In addition, through certain of its subsidiaries, the Company charters-in a number of third-party vessels to increase its operating capacity in order to satisfy its clients' needs.

STAR BULK CARRIERS CORP.
Notes to Consolidated Financial Statements
December 31, 2021
(Expressed in thousands of U.S. dollars except for share and per share data unless otherwise stated)

1. Basis of Presentation and General Information - continued:

Below is the list of the Company's wholly owned subsidiaries as of December 31, 2021:

Subsidiaries owning vessels in operation at December 31, 2021:

	Wholly Owned Subsidiaries	Vessel Name	DWT	Date Delivered to Star Bulk	Year Built
1	Pearl Shiptrade LLC	*Gargantua (1)*	209,529	April 2, 2015	2015
2	Star Ennea LLC	*Star Gina 2GR*	209,475	February 26, 2016	2016
3	Coral Cape Shipping LLC	*Maharaj (1)*	209,472	July 15, 2015	2015
4	Sea Diamond Shipping LLC	*Goliath (1)*	207,999	July 15, 2015	2015
5	Star Castle II LLC	*Star Leo*	207,939	May 14, 2018	2018
6	ABY Eleven Ltd	*Star Laetitia*	207,896	August 3, 2018	2017
7	Domus Shipping LLC	*Star Ariadne*	207,774	March 28, 2017	2017
8	Star Breezer LLC	*Star Virgo*	207,774	March 1, 2017	2017
9	Star Seeker LLC	*Star Libra (1)*	207,727	June 6, 2016	2016
10	ABY Nine Ltd	*Star Sienna*	207,721	August 3, 2018	2017
11	Clearwater Shipping LLC	*Star Marisa*	207,671	March 11 2016	2016
12	ABY Ten Ltd	*Star Karlie*	207,566	August 3, 2018	2016
13	Star Castle I LLC	*Star Eleni*	207,517	January 3, 2018	2018
14	Festive Shipping LLC	*Star Magnanimus*	207,490	March 26, 2018	2018
15	New Era II Shipping LLC	*Debbie H*	206,823	May 28, 2019	2019
16	New Era III Shipping LLC	*Star Ayesha*	206,814	July 15, 2019	2019
17	New Era I Shipping LLC	*Katie K*	206,803	April 16, 2019	2019
18	Cape Ocean Maritime LLC	*Leviathan*	182,466	September 19, 2014	2014
19	Cape Horizon Shipping LLC	*Peloreus*	182,451	July 22, 2014	2014
20	Star Nor I LLC	*Star Claudine*	181,258	July 6, 2018	2011
21	Star Nor II LLC	*Star Ophelia*	180,716	July 6, 2018	2010
22	Sandra Shipco LLC	*Star Pauline*	180,233	December 29, 2014	2008
23	Christine Shipco LLC	*Star Martha*	180,231	October 31, 2014	2010
24	Pacific Cape Shipping LLC	*Pantagruel*	180,140	July 11, 2014	2004
25	Star Borealis LLC	*Star Borealis*	179,601	September 9, 2011	2011
26	Star Polaris LLC	*Star Polaris*	179,648	November 14, 2011	2011
27	Star Nor III LLC	*Star Lyra*	179,147	July 6, 2018	2009
28	Star Regg VI LLC	*Star Bueno*	178,978	January 26, 2021	2010
29	Star Regg V LLC	*Star Borneo*	178,978	January 26, 2021	2010
30	Star Regg IV LLC	*Star Marilena*	178,977	January 26, 2021	2010
31	Star Regg I LLC	*Star Marianne*	178,841	January 14, 2019	2010
32	Star Regg II LLC	*Star Janni*	177,939	January 7, 2019	2010
33	Star Trident V LLC	*Star Angie*	177,931	October 29, 2014	2007
34	Sky Cape Shipping LLC	*Big Fish*	177,620	July 11, 2014	2004
35	Global Cape Shipping LLC	*Kymopolia*	176,948	July 11, 2014	2006
36	Star Trident XXV Ltd.	*Star Triumph*	176,274	December 8, 2017	2004
37	ABY Fourteen Ltd	*Star Scarlett*	175,800	August 3, 2018	2014
38	ABY Fifteen Ltd	*Star Audrey*	175,125	August 3, 2018	2011
39	Sea Cape Shipping LLC	*Big Bang*	174,109	July 11, 2014	2007
40	ABY I LLC	*Star Paola*	115,259	August 3, 2018	2011

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STAR BULK CARRIERS CORP.
Notes to Consolidated Financial Statements
December 31, 2021
(Expressed in thousands of U.S. dollars except for share and per share data unless otherwise stated)

1. Basis of Presentation and General Information - (continued):

Subsidiaries owning vessels in operation at December 31, 2021:

	Wholly Owned Subsidiaries	Vessel Name	DWT	Date Delivered to Star Bulk	Year Built
41	ABM One Ltd	*Star Eva*	106,659	August 3, 2018	2012
42	Star Vega LLC	*Star Vega (1)*	98,648	February 13, 2014	2011
43	Star Sirius LLC	*Star Sirius (1)*	98,648	March 7, 2014	2011
44	Majestic Shipping LLC	*Madredeus*	98,648	July 11, 2014	2011
45	Nautical Shipping LLC	*Amami*	98,648	July 11, 2014	2011
46	ABY II LLC	*Star Aphrodite*	92,006	August 3, 2018	2011
47	Augustea Bulk Carrier Ltd	*Star Piera*	91,952	August 3, 2018	2010
48	Augustea Bulk Carrier Ltd	*Star Despoina*	91,945	August 3, 2018	2010
49	Star Trident I LLC	*Star Kamila*	87,001	September 3, 2014	2005
50	Star Nor IV LLC	*Star Electra*	83,494	July 6, 2018	2011
51	Star Alta I LLC	*Star Angelina*	82,953	December 5, 2014	2006
52	Star Alta II LLC	*Star Gwyneth*	82,703	December 5, 2014	2006
53	Star Nor VI LLC	*Star Luna*	82,687	July 6, 2018	2008
54	Star Nor V LLC	*Star Bianca*	82,672	July 6, 2018	2008
55	Star Trident XIX LLC	*Star Maria*	82,578	November 5, 2014	2007
56	Grain Shipping LLC	*Pendulum*	82,578	July 11, 2014	2006
57	Star Trident XII LLC	*Star Markella*	82,574	September 29, 2014	2007
58	ABY Seven Ltd	*Star Jeanette*	82,567	August 3, 2018	2014
59	Star Trident IX LLC	*Star Danai*	82,554	October 21, 2014	2006
60	Star Sun I LLC	*Star Elizabeth*	82,430	May 25, 2021	2021
61	Star Sun II LLC	*Star Pavlina*	82,361	June 16, 2021	2021
62	Star Trident XI LLC	*Star Georgia*	82,281	October 14, 2014	2006
63	Star Trident VIII LLC	*Star Sophia*	82,252	October 31, 2014	2007
64	Star Trident XVI LLC	*Star Mariella*	82,249	September 19, 2014	2006
65	Star Trident XIV LLC	*Star Moira*	82,220	November 19, 2014	2006
66	Star Trident X LLC	*Star Renee*	82,204	December 18, 2014	2006
67	Star Trident XV LLC	*Star Jennifer*	82,192	April 15, 2015	2006
68	Star Trident XIII LLC	*Star Laura*	82,192	December 8, 2014	2006
69	Star Nor VIII LLC	*Star Mona*	82,188	July 6, 2018	2012
70	Star Trident II LLC	*Star Nasia*	82,183	August 29, 2014	2006
71	Star Nor VII LLC	*Star Astrid*	82,158	July 6, 2018	2012
72	Star Trident XVII LLC	*Star Helena*	82,150	December 29, 2014	2006
73	Star Trident XVIII LLC	*Star Nina*	82,145	January 5, 2015	2006
74	Waterfront Two Ltd	*Star Alessia*	81,944	August 3, 2018	2017
75	Star Nor IX LLC	*Star Calypso*	81,918	July 6, 2018	2014
76	Star Elpis LLC	*Star Suzanna*	81,644	May 15, 2017	2013
77	Star Gaia LLC	*Star Charis*	81,643	March 22, 2017	2013
78	Mineral Shipping LLC	*Mercurial Virgo*	81,502	July 11, 2014	2013
79	Star Nor X LLC	*Stardust*	81,502	July 6, 2018	2011
80	Star Nor XI LLC	*Star Sky*	81,466	July 6, 2018	2010
81	Star Zeus VI LLC	*Star Lambada (1)*	81,272	March 16, 2021	2016
82	Star Zeus I LLC	*Star Capoeira (1)*	81,253	March 16, 2021	2015
83	Star Zeus II LLC	*Star Carioca (1)*	81,199	March 16, 2021	2015
84	Star Zeus VII LLC	*Star Macarena (1)*	81,198	March 6, 2021	2016
85	ABY III LLC	*Star Lydia*	81,187	August 3, 2018	2013
86	ABY IV LLC	*Star Nicole*	81,120	August 3, 2018	2013
87	ABY Three Ltd	*Star Virginia*	81,061	August 3, 2018	2015
88	Star Nor XII LLC	*Star Genesis*	80,705	July 6, 2018	2010
89	Star Nor XIII LLC	*Star Flame*	80,448	July 6, 2018	2011

STAR BULK CARRIERS CORP.
Notes to Consolidated Financial Statements
December 31, 2021
(Expressed in thousands of U.S. dollars except for share and per share data unless otherwise stated)

1. Basis of Presentation and General Information - (continued):

Subsidiaries owning vessels in operation at December 31, 2021:

	Wholly Owned Subsidiaries	Vessel Name	DWT	Delivered to Star Bulk	Year Built
90	Star Trident III LLC	*Star Iris*	76,390	September 8, 2014	2004
91	Star Trident XX LLC	*Star Emily*	76,339	September 16, 2014	2004
92	Orion Maritime LLC	*Idee Fixe (1)*	63,437	March 25, 2015	2015
93	Primavera Shipping LLC	*Roberta (1)*	63,404	March 31, 2015	2015
94	Success Maritime LLC	*Laura (1)*	63,377	April 7, 2015	2015
95	Star Zeus III LLC	*Star Athena (1)*	63,371	May 19, 2021	2015
96	Ultra Shipping LLC	*Kaley (1)*	63,261	June 26, 2015	2015
97	Blooming Navigation LLC	*Kennadi (1)*	63,240	January 8, 2016	2016
98	Jasmine Shipping LLC	*Mackenzie (1)*	63,204	March 2, 2016	2016
99	Star Lida I Shipping LLC	*Star Apus (1)*	63,123	July 16, 2019	2014
100	Star Zeus V LLC	*Star Bovarius (1)*	61,571	March 16, 2021	2015
101	Star Zeus IV LLC	*Star Subaru (1)*	61,521	March 16, 2021	2015
102	Star Nor XV LLC	*Star Wave*	61,491	July 6, 2018	2017
103	Star Challenger I LLC	*Star Challenger (1)*	61,462	December 12, 2013	2012
104	Star Challenger II LLC	*Star Fighter (1)*	61,455	December 30, 2013	2013
105	Aurelia Shipping LLC	*Honey Badger (1)*	61,324	February 27, 2015	2015
106	Star Axe II LLC	*Star Lutas (1)*	61,323	January 6, 2016	2016
107	Rainbow Maritime LLC	*Wolverine (1)*	61,268	February 27, 2015	2015
108	Star Axe I LLC	*Star Antares (1)*	61,234	October 9, 2015	2015
109	ABY Five Ltd	*Star Monica*	60,935	August 3, 2018	2015
110	Star Asia I LLC	*Star Aquarius*	60,873	July 22, 2015	2015
111	Star Asia II LLC	*Star Pisces (1)*	60,873	August 7, 2015	2015
112	Star Nor XIV LLC	*Star Glory*	58,680	July 6, 2018	2012
113	Star Lida XI Shipping LLC	*Star Pyxis (1)*	56,615	August 19, 2019	2013
114	Star Lida VIII Shipping LLC	*Star Hydrus (1)*	56,604	August 8, 2019	2013
115	Star Lida IX Shipping LLC	*Star Cleo (1)*	56,582	July 15, 2019	2013
116	Star Trident VII LLC	*Diva (1)*	56,582	July 24, 2017	2011
117	Star Lida VI Shipping LLC	*Star Centaurus*	56,559	September 18, 2019	2012
118	Star Lida VII Shipping LLC	*Star Hercules*	56,545	July 16, 2019	2012
119	Star Lida X Shipping LLC	*Star Pegasus (1)*	56,540	July 15, 2019	2013
120	Star Lida III Shipping LLC	*Star Cepheus (1)*	56,539	July 16, 2019	2012
121	Star Lida IV Shipping LLC	*Star Columba (1)*	56,530	July 23, 2019	2012
122	Star Lida V Shipping LLC	*Star Dorado (1)*	56,507	July 16, 2019	2013
123	Star Lida II Shipping LLC	*Star Aquila*	56,506	July 15, 2019	2012
124	Star Regg III LLC	*Star Bright*	55,783	October 10, 2018	2010
125	Glory Supra Shipping LLC	*Strange Attractor*	55,715	July 11, 2014	2006
126	Star Omicron LLC	*Star Omicron*	53,444	April 17, 2008	2005
127	Star Zeta LLC	*Star Zeta*	52,994	January 2, 2008	2003
128	Star Theta LLC	*Star Theta*	52,425	December 6, 2007	2003
		Total dwt	**14,072,068**		

(1) Subject to sale and lease back financing transaction (Note 6)

1. Basis of Presentation and General Information – (continued):

Non-vessel owning subsidiaries at December 31, 2021 (the below list includes companies previously owning vessels that have been sold, intermediate holding companies, companies that charter-in vessels and management companies):

	Wholly Owned Subsidiaries
1	Star Bulk Management Inc.
2	Starbulk S.A.
3	Star Bulk Manning LLC
4	Star Bulk Shipmanagement Company (Cyprus) Limited
5	Candia Shipping Limited (ex Optima Shipping Limited)
6	Star Omas LLC
7	Star Synergy LLC
8	Oceanbulk Shipping LLC
9	Oceanbulk Carriers LLC
10	International Holdings LLC
11	Star Ventures LLC
12	Star Logistics LLC (ex Dry Ventures LLC)
13	Unity Holding LLC
14	Star Bulk (USA) LLC
15	Star Bulk Norway AS
16	Star New Era LLC
17	Star Thor LLC
18	Star Gamma LLC
19	Star Aurora LLC
20	Star Epsilon LLC
21	Star ABY LLC
22	ABY Group Holding Ltd
23	Star Regina LLC
24	Star Bulk (Singapore) Pte. Ltd.
25	Star Bulk Germany GmbH
26	Star Mare LLC
27	Star Sege Ltd
28	Star Regg VII LLC
29	Star Cosmo LLC
30	Star Delta LLC
31	Star Kappa LLC
32	Star Trident VI LLC
33	Star Uranus LLC
34	Star Zeus LLC
35	Star Bulk Finance (Cyprus) Limited

1. Basis of Presentation and General Information - (continued):

Charterers who individually accounted for more than 10% of the Company's voyage revenues during the years ended December 31, 2019, 2020 and 2021 are as follows:

Charterer	2019	2020
A	N/A	11%
B	13%	N/A

No charterer accounted for more than 10% of the Company's revenues for the year ended December 31, 2021.

2. Significant Accounting policies:

a) **Principles of consolidation**: The consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the United States of America ("U.S. GAAP"), which include the accounts of Star Bulk and its wholly owned subsidiaries referred to in Note 1 above. All intercompany balances and transactions have been eliminated on consolidation.

Star Bulk as the holding company determines whether it has controlling financial interest in an entity by first evaluating whether the entity is a voting interest entity or a variable interest entity. Under ASC 810 "Consolidation", a voting interest entity is an entity in which the total equity investment at risk is sufficient to enable the entity to finance itself independently and provides the equity holders with the obligation to absorb losses, the right to receive residual returns and make financial and operating decisions. Star Bulk consolidates voting interest entities in which it owns all, or at least a majority (generally, greater than 50%), of the voting interest.

Following the provisions of ASC 810 "Consolidation", the Company evaluates all arrangements that may include a variable interest in an entity to determine if it may be the primary beneficiary, and would be required to include assets, liabilities and operations of a variable interest entity in its consolidated financial statements. The Company's evaluation did not result in an identification of variable interest entities for the years 2019, 2020 and 2021.

b) **Equity method investments**: Investments in the equity of entities over which the Company exercises significant influence, but does not exercise control are accounted for by the equity method of accounting. Under this method, the Company records such an investment at cost and adjusts the carrying amount for its share of the earnings or losses of the entity subsequent to the date of investment and reports the recognized earnings or losses in income. The Company also evaluates whether a loss in value of an investment that is other than a temporary decline should be recognized. Evidence of a loss in value might include absence of an ability to recover the carrying amount of the investment or inability of the investee to sustain an earnings capacity that would justify the carrying amount of the investment. Dividends received reduce the carrying amount of the investment. When the Company's share of losses in an entity accounted for by the equity method equals or exceeds its interest in the entity, the Company does not recognize further losses, unless the Company has made advances, incurred obligations and made payments on behalf of the entity.

c) **Use of estimates:** The preparation of the consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates under different assumptions or conditions.

2. Significant Accounting policies - (continued):

d) **Comprehensive income/(loss):** The statement of comprehensive income/(loss) presents the change in equity (net assets) during a period from transactions and other events and circumstances from non-owner sources. It includes all changes in equity during a period except those resulting from investments by shareholders and distributions to shareholders. Reclassification adjustments are presented out of accumulated other comprehensive income/(loss) on the face of the statement in which the components of other comprehensive income/(loss) are presented or in the notes to the financial statements. The Company follows the provisions of ASC 220 "Comprehensive Income", and presents items of net income/(loss), items of other comprehensive income/(loss) and total comprehensive income/(loss) in two separate and consecutive statements.

e) **Concentration of credit risk**: Financial instruments, which potentially subject the Company to significant concentrations of credit risk, consist principally of cash and cash equivalents and restricted cash, trade accounts receivable and derivative contracts (including freight derivatives, bunker derivatives and interest rate swaps). The Company's policy is to place its cash with financial institutions evaluated as being creditworthy and are therefore exposed to minimal credit risk. The Company may be exposed to credit risk in the event of non-performance by counter parties to derivative contracts. To manage this risk, the Company mainly selects freight derivatives and bunker swaps that clear through reputable clearing houses, such as London Clearing House ("LCH"), Singapore Exchange ("SGX") or Nasdaq and limits its exposure in over the counter transactions. The Company performs periodic evaluations of the relative credit standing of those financial institutions with which the Company transacts. In addition, the Company limits its credit risk with accounts receivable by performing ongoing credit evaluations of its customers' financial condition.

f) **Foreign currency transactions:** The functional currency of the Company is the U.S. Dollar since its vessels operate in the international shipping markets, and therefore primarily transact business in U.S. Dollars. The Company's books of accounts are maintained in U.S. Dollars. 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 consolidated balance sheet dates, monetary assets and liabilities, which are denominated in other currencies, are converted into U.S. Dollars at the period-end exchange rates. Resulting gains/(losses) are included in "Interest and other income/(loss)" in the consolidated statements of operations.

g) **Cash and cash equivalents:** The Company considers highly liquid investments such as time deposits and certificates of deposit with an original maturity of three months or less or from which cash is readily available without penalty, to be cash equivalents.

h) **Restricted cash:** Restricted cash represents minimum cash deposits or cash collateral deposits required to be maintained with certain banks under the Company's borrowing arrangements or derivative contracts, which are legally restricted as to withdrawal or use. In the event that the obligation to maintain such deposits is expected to be terminated within the next twelve months, these deposits are classified as current assets. Otherwise, they are classified as non-current assets.

i) **Trade accounts receivable, net:** The amount shown as Trade accounts receivable, net, at each balance sheet date, includes receivables from customers, net of any provision for doubtful debts. Pursuant to ASC 326 Financial Instruments - Credit Losses the Company assesses the need for an allowance for credit losses for expected uncollectible accounts receivable. Such allowance is recorded as an offset to accounts receivable in the consolidated balance sheets and changes in such allowance are recorded as provision for doubtful debt in the consolidated statements of operations. The Company assesses collectability by reviewing accounts receivable on a collective basis where similar characteristics exist and on an individual basis when the Company identifies specific charterers with known disputes or collectability concerns. In determining the amount of the allowance for credit losses, the Company considers historical collectability based on past due status and makes judgments about the creditworthiness of charterers based on ongoing credit evaluations. The Company also considers charterer-specific information, current market conditions and reasonable and supportable forecasts of future economic conditions to inform adjustments to historical loss data. For the years ended December 31, 2020 and 2021, the Company's assessment considered also business and market disruptions caused by Covid-19 and estimates of expected emerging credit and collectability trends. The allowance for credit losses on accounts receivable for the years ended December 31, 2020 and 2021 amounted to $373 and $629 respectively.

j) **Inventories**: Inventories consist of lubricants and bunkers, which are stated at the lower of cost or net realizable value, which is the estimated selling prices less reasonably predictable costs of disposal and transportation. Cost is determined by the first in, first out method.

2. Significant Accounting policies - (continued):

k) **Vessels, net:** Vessels are stated at cost, which consists of the purchase price and any material expenses incurred upon acquisition, such as initial repairs, improvements, delivery expenses and other expenditures to prepare the vessel for its initial voyage, less accumulated depreciation and impairment, if any. Certain subsequent expenditures for conversions and major improvements are also capitalized if it is determined that they appreciably extend the life, increase the earning capacity or improve the efficiency or safety of the vessels. Any other subsequent expenditure is expensed as incurred. The cost of each of the Company's vessels is depreciated beginning when the vessel is ready for its intended use, on a straight-line basis over the vessel's remaining economic useful life, after considering the estimated residual value (vessel's residual value is equal to the product of its lightweight tonnage and estimated scrap rate per ton). Management estimates the useful life of the Company's vessels to be 25 years from the date of initial delivery from the shipyard. When regulations place limitations over the ability of a vessel to trade on a worldwide basis, its remaining useful life is adjusted at the date such regulations are adopted. The estimated salvage value of each vessel is $0.3 per light weight ton as of December 31, 2020 and 2021.

l) **Advances for vessels under construction and acquisition of vessels:** Advances made to shipyards or sellers of shipbuilding contracts during construction periods or advances made to sellers of secondhand vessels to be acquired are classified as "Advances for vessels under construction and acquisition of vessels" until the date of delivery and acceptance of the vessel, at which date they are reclassified to "Vessels and other fixed assets, net." Advances for vessels under construction also include supervision costs, amounts paid under engineering contracts, and other expenses directly related to the construction of the vessel or the preparation of the vessel for its initial voyage. Interest cost incurred during the construction period of the vessels is also capitalized and included in the vessels' cost.

m) **Fair value of above/below market acquired time charters:** The Company values any asset or liability arising from the market value of the time charters assumed when a vessel is acquired. Where vessels are acquired with existing time charters, the Company determines the present value of the difference between: (i) the contractual charter rate and (ii) the market rate for a charter of equivalent duration prevailing at the time the vessels are delivered. In discounting the charter rate differences in future periods, the Company uses its Weighted Average Cost of Capital adjusted to account for the credit quality of the counterparties, as deemed necessary. The cost of the acquisition is allocated to the vessel and the in-place time charter attached on the basis of their relative fair values. Such intangible asset or liability is recognized ratably as an adjustment to revenues over the remaining term of the assumed time charter.

n) **Impairment of long-lived assets**: The Company follows guidance under ASC 360 "Property, Plant, and Equipment" related to the impairment or disposal of long-lived assets which addresses financial accounting and reporting for the impairment or disposal of long-lived assets. The standard requires that long-lived assets held for use by an entity be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. When the estimate of future undiscounted net operating cash flows, excluding interest charges, expected to be generated by the use and eventual disposition of the asset is less than its carrying amount, the Company should record an impairment loss to the extent the asset's carrying value exceeds its fair value. The Company determines the fair value of its assets based on management estimates and assumptions and by making use of available market data and taking into consideration agreed sale prices and third party valuations.

2. Significant Accounting policies - (continued):

In this respect, management regularly reviews the carrying amount of the vessels, including newbuilding contracts, if any, on a vessel-by-vessel basis, when events and circumstances indicate that the carrying amount of the vessels or newbuilding contracts might not be recoverable (such as vessel valuations of independent shipbrokers, vessel sales and purchases, business plans, obsolescence or damage to the asset and overall market conditions). When impairment indicators are present, the Company compares future undiscounted net operating cash flows to the carrying values of the Company's vessels to determine if the asset is required to be impaired. In developing its estimates of future undiscounted net operating cash flows, the Company makes assumptions and estimates about vessels' future performance, with the significant assumptions being related to charter rates, vessel operating expenses, vessels' residual value, fleet utilization and the estimated remaining useful lives of the vessels. These assumptions are based on current market conditions, historical industry and Company's specific trends, as well as future expectations.

The future undiscounted net operating cash flows are determined by considering the charter revenues from existing time charters for the fixed vessel days and an estimated daily time charter equivalent rate for the unfixed days over the estimated remaining economic life of each vessel, net of brokerage and address commissions. Estimates of the daily time charter equivalent rate for the unfixed days are based on the current Forward Freight Agreement ("FFA") rates of the respective calendar year for each of the first three years, average of the FFA rate of the third year and the historical average market rate of similar size vessels for the fourth year and historical average market rates of similar size vessels for the period thereafter. The expected cash inflows from charter revenues are based on an assumed fleet utilization rate for the unfixed days over available days, taking also into account expected technical off-hire days. In addition, in light of the Company's investment in exhaust gas cleaning systems ("EGCS" or "Scrubbers"), an estimate of an additional daily revenue for each scrubber fitted vessel was also included, reflecting additional revenue from charterers due to the fuel cost savings that these vessels provide. In assessing expected future cash outflows, management forecasts vessel operating expenses, which are based on the Company's internal budget for the first annual period and thereafter assuming an annual inflation rate and are capped in the thirteenth year thereafter, vessel expected maintenance costs (for dry docking and special surveys) and management fees. The estimated salvage value of each vessel is $0.3 per light weight ton, in accordance with the Company's vessel depreciation policy. The Company uses a probability weighted approach for developing estimates of future cash flows used to test its vessels for recoverability when alternative courses of action are under consideration (i.e. sale or continuing operation of a vessel). If the Company's estimate of future undiscounted net operating cash flows for any vessel is lower than the vessel's carrying value, the carrying value is written down to the vessel's fair market value with a charge recorded under "Impairment loss" in the consolidated statement of operations.

2. Significant Accounting policies - (continued):

o) **Vessels held for sale:** The Company classifies a vessel as being held for sale when all of the following criteria, enumerated under ASC 360 "Property, Plant, and Equipment", are met: (i) management has committed to a plan to sell the vessel; (ii) the vessel is available for immediate sale in its present condition; (iii) an active program to locate a buyer and other actions required to complete the plan to sell the vessel have been initiated; (iv) the sale of the vessel is probable, and transfer of the asset is expected to qualify for recognition as a completed sale within one year; (v) the vessel is being actively marketed for sale at a price that is reasonable in relation to its current fair value; and (vi) actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn. Vessels classified as held for sale are measured at the lower of their carrying amount or fair value less cost to sell. The resulting difference, if any, is recorded under "Impairment loss" in the consolidated statement of operations. The vessels are not depreciated once they meet the criteria to be classified as held for sale.

p) **Evaluation of purchase transactions**: When the Company enters into an acquisition transaction, it determines whether the acquisition transaction was a purchase of an asset or a business based on the facts and circumstances of the transaction. In accordance with Business Combinations (Topic 805): Clarifying the Definition of a Business, if substantially all of the fair value of the gross assets acquired in an acquisition transaction are concentrated in a single identifiable asset or group of similar identifiable assets, then the set is not a business. To be considered a business, a set must include an input and a substantive process that together significantly contributes to the ability to create an output. All assets acquired and liabilities assumed in a business combination are measured at their acquisition-date fair values. For asset acquisitions, the cost of the acquisition is allocated to individual assets and liabilities on a relative fair value basis. Acquisition costs associated with business combinations are expensed as incurred. Acquisition costs associated with asset acquisitions are capitalized.

q) **Financing costs:** Fees paid to lenders or required to be paid to third parties on the lenders' behalf for obtaining new loans, senior notes, for refinancing or amending existing loans or securing leases, are required to be presented on the balance sheet as a direct deduction from the carrying amount of that debt liability, similar to debt discounts. These costs are amortized as interest and finance costs using the effective interest rate method over the duration of the related debt. Any unamortized balance of costs relating to debt repaid or refinanced that meet the criteria for Debt Extinguishment (see Subtopic 470-50), is expensed in the period in which the repayment is made or refinancing occurs. Any unamortized balance of costs relating to debt refinanced that do not meet the criteria for Debt Extinguishment, are amortized over the term of the refinanced debt. Other fees incurred for obtaining loan facilities whose committed loans have not been drawn on or before the balance sheet date are recorded under "Other non-current assets" or "Other Current assets", as applicable, and are reclassified as a direct deduction from the carrying amount of the loan facilities once financing takes place.

r) **Share based compensation:** Share based compensation represents the cost of shares and share options granted to employees, executive officers and to directors, for their services, and is included in "General and administrative expenses" in the consolidated statements of operations. The shares are measured at their fair value equal to the market value of the Company's common shares on the grant date. The shares that do not contain any future service vesting conditions are considered vested shares and the total fair value of such shares is expensed on the grant date. The shares that contain a time-based service vesting condition are considered non-vested shares on the grant date and a total fair value of such shares is recognized using the accelerated attribution method, which treats an award with multiple vesting dates as multiple awards and results in a front-loading of the costs of the award. Further, the Company accounts for restricted share award forfeitures upon occurrence.

2. Significant Accounting policies - (continued):

Awards of restricted shares, restricted share units or share options that are subject to performance conditions are also measured at their fair value, which is equal to the market value of the Company's common shares on the grant date. If the award is subject only to performance conditions, compensation cost is recognized only if the performance conditions are satisfied. For awards that are subject to performance conditions and future service conditions, if it is probable that the performance condition for these awards will be satisfied, the compensation cost in respect of these awards is recognized over the requisite service period. If it is initially determined that it is not probable that the performance conditions will be satisfied and it is later determined that the performance conditions are likely to be satisfied (or vice versa), the effect of the change in estimate is retroactively accounted for in the period of change by recording a cumulative catch-up adjustment to retroactively apply the new estimate. If the award is forfeited because the performance condition is not satisfied, any previously recognized compensation cost is reversed. The fair value of share options grants is determined with reference to option pricing models, and depends on the terms of the granted options. The fair value is recognized (as compensation expense) over the requisite service period for all awards that vest.

s) **Dry docking and special survey expenses:** Dry docking and special survey expenses are expensed when incurred.

t) **Accounting for revenue and related expenses:** The Company primarily generates its revenues from time charter agreements or voyage charter agreements. Under a time charter agreement a contract is entered into for the use of a vessel for a specific period of time and a specified daily fixed or index-linked charter hire rate. An index-linked rate usually refers to freight rate indices issued by the Baltic Exchange, such as the Baltic Capesize Index and the Baltic Panamax Index. Under a voyage charter agreement, a contract is made in the spot market for the use of a vessel for a specific voyage to transport a specified agreed upon cargo at a specified freight rate per ton or occasionally a lump sum amount. Under a voyage charter agreement, the charter party generally has a minimum amount of cargo and the charterer is liable for any short loading of cargo or "dead" freight. A minor part of the Company's revenues is also generated from pool arrangements, according to which the amount allocated to each pool participant vessel, including the Company's vessels, is determined in accordance with an agreed-upon formula, which is determined by points awarded to each vessel in the pool (based on the vessel's age, design, consumption and other performance characteristics) as well as the time each vessel has spent in the pool. For those vessels that operated under the pool arrangements during the years ended December 31, 2019, 2020 and 2021 the Company considers itself the principal, primarily because of its control over the service to be transferred for the charterer under those charterparties and therefore related revenues and expenses are presented gross.

The Company determined that its time charter agreements are considered operating leases and therefore fall under the scope of ASC 842 Leases ("ASC 842") because, (a) the vessel is an identifiable asset, (b) the Company does not have substitution rights and (c) the charterer has the right to control the use of the vessel during the term of the contract and derives economic benefits from such use. The duration of the contracts that the Company enters into depends on the market conditions, with the duration decreasing during weak market conditions. During 2020 and 2021 the majority of the Company's time charter contracts did not exceed the period of 12 months, including optional extension periods. Time charter revenues are recognized on a straight-line basis over the term of the respective time charter agreement for which the performance obligations are satisfied beginning when the vessel is delivered to the charterer until it is redelivered back to the Company. Time charter agreements may include ballast bonus payments made by the charterer which serve as compensation for the ballast trip of the vessel to the delivery port, which are deferred and also recognized on a straight line basis over the charter period. Time charter agreements may also include variable consideration that is not dependent on an index or a rate, such as additional revenue earned from charterers of scrubber fitted vessels due to the fuel cost savings that these vessels provide, which is recognized as revenue in the period in which the respective bunker quantity is actually consumed.

2. Significant Accounting policies - (continued):

During the time charter agreements the Company is responsible for operating and maintaining the vessel and such costs are included in Vessel operating expenses in the consolidated statements of operations. In the time charter hire rate received is included compensation for these costs, such as crewing expenses, repairs and maintenance and insurance. The Company, making use of the practical expedient for lessors, has elected not to separate the lease and non-lease components included in the time charter revenue but rather to recognize lease revenue as a combined single lease component for all time charter contracts as the related lease component and non-lease component have the same timing and pattern of transfer (*i.e.*, both the lease and non-lease components are earned with the passage of time) and the predominant component is the lease. Under time charter agreements, voyage costs, such as fuel and port charges are borne and paid by the charterer. Time charter revenue is recognized when a charter agreement exists, the vessel is made available to the charterer and collection of the related revenue is reasonably assured.

The Company has determined that its voyage charter agreements do not contain a lease because the charterer under such contracts does not have the right to control the use of the vessel since the Company, as the ship-owner, retains control over the operations of the vessel, provided also that the terms of the voyage charter are pre-determined, and any change requires the Company's consent and are therefore considered service contracts that fall under the provisions of ASC 606 "Revenue from contracts with customers". The Company accounts for a voyage charter when all the following criteria are met: (i) the parties to the contract have approved the contract in the form of a written charter agreement or fixture recap and are committed to perform their respective obligations, (ii) the Company can identify each party's rights regarding the services to be transferred, (iii) the Company can identify the payment terms for the services to be transferred, (iv) the charter agreement has commercial substance (that is, the risk, timing, or amount of the future cash flows is expected to change as a result of the contract) and (v) it is probable that the Company will collect substantially all of the consideration to which it will be entitled in exchange for the services that will be transferred to the charterer. The majority of revenue from voyage charter agreements is usually collected in advance. The Company has determined that there is one single performance obligation for each of its voyage contracts, which is to provide the charterer with an integrated transportation service within a specified time period. In addition, the Company has concluded that a contract for a voyage charter meets the criteria to recognize revenue over time because the charterer simultaneously receives and consumes the benefits of the Company's performance as the Company performs. Therefore, since the Company's performance obligation under each voyage contract is met evenly as the voyage progresses, revenue is recognized on a straight line basis over the voyage days from the loading of cargo to its discharge.

Demurrage income, which is considered a form of variable consideration, is included in voyage revenues, and represents payments by the charterer to the vessel owner when loading or discharging time exceeds the stipulated time in the voyage charter agreements. Demurrage income for the years ended December 31, 2019, 2020 and 2021 was not material.

Under voyage charter agreements, all voyage costs are borne and paid by the Company. Voyage expenses consist primarily of brokerage commissions, bunker consumption, port and canal expenses and agency fees related to the voyage. All voyage costs are expensed as incurred with the exception of the contract fulfilment costs that incur from the latter of the end of the previous vessel employment and the contract date and until the commencement of loading the cargo on the relevant vessel, which are capitalized to the extent the Company, in its reasonable judgement, determines that they (i) are directly related to a contract, (ii) will be recoverable and (iii) enhance the Company's resources by putting the Company's vessel in a location to satisfy its performance obligation under a contract pursuant to the provisions of ASC 340-40 "Other assets and deferred costs". These capitalized contract fulfilment costs are recorded under "Other current assets" and are amortized on a straight-line basis as the related performance obligations are satisfied.

2. Significant Accounting policies - (continued):

u) Fair value measurements: The Company follows the provisions of ASC 820, "Fair Value Measurements and Disclosures" that defines and provides guidance as to the measurement of fair value. ASC 820 creates a hierarchy of measurement and indicates that, when possible, 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. The fair value hierarchy gives the highest priority (Level 1) to quoted prices in active markets and the lowest priority (Level 3) to unobservable data, for example, the reporting entity's own data. Under the standard, fair value measurements are separately disclosed by level within the fair value hierarchy (Note 17).

v) Earnings / (loss) per share: Basic earnings or loss per share are calculated by dividing net income or loss available to common shareholders by the basic weighted average number of common shares outstanding during the period. Diluted earnings per share is computed using the treasury stock method whereby all of the Company's dilutive securities are assumed to be exercised and the proceeds used to repurchase common shares are calculated at the weighted average market price of the Company's common shares during the relevant periods. The incremental shares (the difference between the number of shares assumed issued and the number of shares assumed purchased) are included in the denominator of the diluted earnings per share computation (Note 11).

w) Segment reporting: The Company reports financial information and evaluates its operations and operating results by total charter revenues and not by the type of vessel, length of vessel employment, customer or type of charter. As a result, management, including the Chief Executive Officer, who is 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 under one reportable segment, that of operating dry bulk vessels. Furthermore, when the Company charters a vessel to a charterer, the charterer is free to trade the vessel worldwide, subject to restrictions as per the charter agreement, and, as a result, the disclosure of geographic information is impracticable.

x) Leases: On January 1, 2019, the Company adopted ASC 842, according to which lessees are required to recognize assets and liabilities on the balance sheet for the rights and obligations created by all leases with a term of more than 12 months. For lessees, leases are classified as either finance or operating, with classification affecting the pattern of expense recognition on the income statement. ASC 842 requires lessors to classify leases as a sales-type, direct financing, or operating leases. All leases that are not sales-type leases or direct financing leases (i.e that in effect neither transfer control of the underlying asset to the lessee nor transfer substantially all of the risks and benefits of the underlying asset to the lessee) are operating leases. Refer to Note 2(t) for the lease arrangements with the Company acting as Lessor.

2. Significant Accounting policies - (continued):

The following are types of contracts with the Company acting as Lessee that fall under ASC 842:

A) Time charter-in agreements that the Company from time to time enters into for third-party vessels to increase its operating capacity in order to satisfy its clients' needs which has determined to be operating leases. The duration of these contracts may vary with vast majority not exceeding 12 months. The assets and liabilities recognized in respect of the time charter –in agreements with an initial term exceeding 12 months that correspond to the underlying rights and obligations are presented within "Operating leases, right-of-use assets" and "Operating lease liabilities", respectively, in the consolidated balance sheets. The weighted average discount rate used for the recognition of these leases is the estimated annual incremental borrowing rate for this type of assets which is estimated at approximately 3%. The carrying value of these assets and liabilities as of December 31, 2020 and 2021 amounted to $nil and $47,704, respectively. The Company has elected to use the practical expedient of ASC 842 that allows for time charter-in contracts with an initial term of 12 months or less to be excluded from the operating lease right-of use assets and the corresponding lease liabilities recognition on the consolidated balance sheet. Further, the Company has also elected the practical expedient to combine lease and non-lease component. The Company continues to recognize the lease payments for all charter-in operating leases under Charter-in hire expenses in the consolidated statements of operations on a straight line basis over the lease term. Revenues generated from those charter-in vessels are included in Voyage revenues in the consolidated statements of operations.

The time charter-in payments required to be made after December 31, 2021, for the outstanding operating lease liabilities recognized on the balance sheet as described above, are as follows:

Twelve month periods ending	**Amount**
December 31, 2022	$ 10,274
December 31, 2023	9,883
December 31, 2024	5,025
December 31, 2025	5,538
December 31, 2026	5,394
December 31, 2027 and thereafter	11,590
Total time charter-in payments	**$ 47,704**

The weighted average remaining lease term of these charter-in arrangements as of December 31, 2021 is 5.85 years.

B) Sale and lease back transactions which involve a purchase obligation (or a purchase option that is reasonably certain, at inception, that will be exercised) and are therefore treated as a failed sale or merely a financing arrangement, and therefore are not within the scope of sale and leaseback accounting. In such cases the Company does not derecognize the corresponding leased vessels and continues to present these at their net book values within "Vessels and other fixed assets, net" on its consolidated balance sheets, while the financing liability is presented in "Lease financing" in the Company's consolidated balance sheets. Depreciation attributable to the vessels that are subject to financing under sale and lease back transactions is included within "Depreciation" in the consolidated statements of operations while the corresponding interest expense on the lease financing arrangement is included within "Interest and finance costs" in the consolidated statements of operations. All of the Company's lease financing agreements as of December 31, 2020 and 2021 were of this type. Please refer to Note 6 for the description of the nature of these lease financing agreements, general terms, covenants included, any variable payments, if any, as well as the purchase options and/or obligations they provide for.

C) Other long term bareboat charter-in agreements that the Company from time to time may enter into which meet the transfer of ownership criterion under ASC 842 (either involve a purchase obligation or a purchase option that is reasonably certain, at inception, that will be exercised) and are therefore classified as finance leases. In such cases the Company recognizes a right-of-use asset for each bareboat charter-in vessel reflected within "Vessels and other fixed assets, net" and a corresponding lease liability being reflected within "Lease financing". The amortization of the right-of-use asset attributable to this type of lease arrangements is included within "Depreciation" in the consolidated statement of operations while the corresponding interest expense on the lease financing is included within "Interest and finance costs" in the consolidated statement of operations. None of the Company's bareboat charter-in agreements were of this type as of December 31, 2020 and 2021.

2. Significant accounting policies – (continued):

D) Office rental arrangements that the Company enters into, which it has determined to be operating leases. The office spaces that the Company leases are mostly located in Greece, Cyprus and Singapore. Payments under these arrangements are fixed with no variable payments. The assets and liabilities recognized in respect of these agreements that correspond to the underlying rights and obligations are presented within "Operating leases, right-of-use assets" and "Operating lease liabilities" in the consolidated balance sheets. The weighted average discount rate that is used for the recognition of these leases is the estimated annual incremental borrowing rate for this type of assets which is estimated at approximately 4%. The lease expenses attributable to these leases are recognized on a straight line basis over the lease term and are recorded in "General and Administrative expenses" in the consolidated statements of operations. These lease expenses were $352, $461 and $501 for the years ended December 31, 2019, 2020 and 2021, respectively and the carrying value of these assets and liabilities as of December 31, 2020 and 2021 amounted to $886 and $552, respectively.

The office rental payments required to be made after December 31, 2021, for the outstanding operating lease liabilities recognized on the balance sheet as described above, are as follows:

Twelve month periods ending	**Amount**
December 31, 2022	$ 306
December 31, 2023	204
December 31, 2024	42
December 31, 2025	–
December 31, 2026	–
December 31, 2027 and thereafter	–
Total office rent payments	**$ 552**

The weighted average remaining lease term of these office rent arrangements as of December 31, 2021 is 2.01 years.

y) Derivatives & Hedging:

i) Interest rate swaps and foreign currency exchange rates swaps:

The Company enters into derivative and from time to time into non-derivative financial instruments to manage risks related to fluctuations of interest rates and foreign currency exchange rates.

All derivatives are recorded on the Company's balance sheet as assets or liabilities and are measured at fair value. The valuation of interest rate swaps is based on Level 2 observable inputs of the fair value hierarchy, such as interest rate curves. The changes in the fair value of derivatives not qualifying for hedge accounting are recognized in earnings. Cash inflows/outflows attributed to derivative instruments are reported within cash flows from operating activities in the consolidated statements of cash flows.

For the purpose of hedge accounting, hedges are classified as:

- fair value hedges, when hedging the exposure to changes in the fair value of a recognized asset or liability or an unrecognized firm commitment, which in each case is attributable to a particular risk, including foreign currency risk;
- cash flow hedges, when hedging exposure to variability in cash flows that is either attributable to a particular risk associated with a recognized asset or liability or a highly probable forecast transaction that could affect earnings; or
- hedges of a net investment in a foreign operation. This type of hedge is not used by the Company.

In case the instruments are eligible for hedge accounting, at the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy undertaken for the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the Company will assess the hedging instrument's effectiveness in offsetting exposure to changes in the hedged item's cash flows or fair value attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in cash flows or fair value and are assessed at each reporting date to determine whether they actually have been highly effective throughout the financial reporting periods for which they were designated.

2. Significant Accounting policies - (continued):

Fair value hedges

A fair value hedge is a hedge of the exposure to changes in the fair value of a recognized asset or liability, or of an unrecognized firm commitment, which in each case is attributable to a particular risk.

The change in the fair value of a hedging instrument is recognized in the consolidated statement of operations. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognized in the consolidated statement of operations.

For fair value hedges, in which a non-derivative is used as hedging instrument for foreign currency risk of unrecognized firm commitments, the hedging instrument is re- measured based on the movement in functional currency cash flows attributable to the change in spot exchange rates between the functional currency and the currency in which the non-derivative hedging instrument is denominated. An asset or liability is recorded for the unrecognized firm commitment, which equals the foreign exchange gain or loss that is recorded in earnings as a result of the hedge relationship. The resulting asset or liability will eventually be treated as part of the consideration when the firm commitment is recognized.

Cash Flow hedges

A cash flow hedge is a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognized asset or liability or a highly probable forecasted transaction that could affect earnings.

For derivatives designated as cash flow hedges, the effective portion of the changes in their fair value is recorded in "Accumulated other comprehensive income / (loss)" and is subsequently recognized in earnings when the hedged items impact earnings, while the ineffective portion, if any, is recognized immediately in current period earnings under "Gain/(loss) on interest rate swaps, net."

Discontinuation of hedge relationships

The Company discontinues prospectively fair value or cash flow hedge accounting if the hedging instrument expires or is sold, terminated or exercised and it no longer meets all the criteria for hedge accounting or if the Company de-designates the instrument as a cash flow or fair value hedge. As part of a cash flow hedge, at the time the hedging relationship is discontinued, any cumulative gain or loss on the hedging instrument recognized in equity remains in equity until the forecasted transaction occurs or until it becomes probable of not occurring. When the forecasted transaction occurs, any cumulative gain or loss on the hedging instrument is recognized in earnings. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognized in equity is reclassified and recognized in earnings for the year. As part of a fair value hedge, if the hedged item is derecognized, the unamortized fair value is recognized immediately in earnings.

2. Significant accounting policies – (continued):

ii) Forward Freight Agreements and Bunker Swaps:

In addition, when deemed appropriate from a risk management perspective, the Company takes positions in derivative instruments including forward freight agreements, or FFAs. Generally, FFAs and other derivative instruments may be used to hedge a vessel owner's exposure to the charter market for a specified route and period of time. Upon settlement, if the contracted charter rate is less than the average of the rates for the specified route and time period, as reported by an identified index, the seller of the FFA is required to pay the buyer the settlement sum, being an amount equal to the difference between the contracted rate and the settlement rate, multiplied by the number of days in the specified period covered by the FFA. Conversely, if the contracted rate is greater than the settlement rate, the buyer is required to pay the seller the settlement sum. The vast majority of the FFAs are settled on a daily basis through reputable exchanges such as LCH, SGX or Nasdaq. FFAs are intended to serve as an economic hedge for the Company's vessels that are being chartered in the spot market, effectively locking-in an approximate amount of revenue that the Company expects to receive from such vessels for the relevant periods. The Company measures the fair value of all open positions at each reporting date on this basis (Level 1). The Company's FFAs do not qualify for hedge accounting and therefore gains or losses are recognized in the consolidated statements of operations under "(Gain)/Loss on forward freight agreements and bunker swaps, net."

Also, when deemed appropriate from a risk management perspective, the Company enters into bunker swap contracts to manage its exposure to fluctuations of bunker prices associated with the consumption of bunkers by its vessels. Bunker swaps are agreements between two parties to exchange cash flows at a fixed price on bunkers, where volume, time period and price are agreed in advance. The Company's bunker swaps are settled through reputable clearing houses, including LCH. The fair value of bunker swaps is the estimated amount that the Company would receive or pay to terminate the swaps at the reporting date (Level 1). The Company's bunker swaps do not qualify for hedge accounting and bunker price differentials paid or received under the swap agreements are recognized in the consolidated statements of operations under "(Gain)/Loss on forward freight agreements and bunker swaps, net".

z) **Taxation:** The Company follows the provisions of ASC 740-10, "Accounting for Uncertainty in Income Taxes" which clarifies the accounting for uncertainty in income taxes by prescribing the minimum recognition threshold a tax position is required to meet before being recognized in the financial statements. ASC 740-10 also provides guidance on de-recognition, classification, interest and penalties, accounting in interim periods, disclosure and transition.

aa) **Offering costs:** Expenses directly attributable to an equity offering are deferred and are either presented against paid-in capital when the offering is completed or are written-off and charged to earnings when it is probable that the offering will be aborted.

ab) **Share repurchases:** The Company records the repurchase of its common shares at cost. Until their retirement these common shares are classified as treasury stock, which is a reduction to shareholders' equity. Treasury shares are included in authorized and issued shares but excluded from outstanding shares.

2. Significant accounting policies – (continued):

Recent accounting pronouncements – not yet adopted

Reference Rate Reform (Topic 848): In March 2020, the FASB issued ASU No. 2020-04, "Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting ("ASU 2020-04")." ASU 2020-04 provides temporary optional expedients and exceptions to the guidance in U.S. GAAP on contract modifications and hedge accounting to ease the financial reporting burdens related to the expected market transition from the London Interbank Offered Rate ("LIBOR") and other interbank offered rates to alternative reference rates. This ASU is effective for adoption at any time between March 12, 2020 and December 31, 2022. The date of adoption of this optional guidance and the effect on its consolidated financial statements and accompanying notes is currently under evaluation by the Company. In addition, in January 2021, the FASB issued another ASU (ASU No. 2021-01) with respect to the Reference Rate Reform (Topic 848). The amendments in this Update clarify that certain optional expedients and exceptions in Topic 848 for contract modifications and hedge accounting apply to derivatives that are affected by the discounting transition.

3. Transactions with Related Parties:

Transactions and balances with related parties are analyzed as follows:

Balance Sheet

		December 31, 2020		December 31, 2021
Due from related parties				
Oceanbulk Maritime and its affiliates (d)	$	426	$	133
Interchart (a)		3		3
AOM (k)		–		52
Starocean (j)		34		34
Coromel Maritime Limited (l)		1		–
Product Shipping & Trading S.A.		17		20
Due from related parties	**$**	**481**	**$**	**242**
Due to related parties				
Combine Marine Ltd. (c)	$	–	$	18
Management and Directors Fees (b)		252		159
Augustea Technoservices Ltd. and affiliates (f)		1,187		877
Iblea Ship Management Limited (h)		–		372
Due to related parties	**$**	**1,439**	**$**	**1,426**

Statements of Operations

	Years ended December 31,					
		2019		2020		2021
Voyage revenues:						
Voyage revenues - Eagle Bulk (m)	$	–	$	–	$	1,461
Voyage expenses:						
Voyage expenses-Interchart (a)	$	(3,850)	$	(3,780)	$	(3,870)
Voyage expenses- Augustea Technoservices Ltd. and affiliates (f)		-		(95)		-
Voyage expenses - Hartree Marine Fuels LLC (q)		-		-		(9,566)
General and administrative expenses:						
Consultancy fees (b)	$	(655)	$	(598)	$	(535)
Directors compensation (b)		(179)		(179)		(183)
Office rent - Combine Marine Ltd. & Alma Properties (c)		(39)		(40)		(41)
General and administrative expenses - Oceanbulk Maritime and its affiliates (d)		(324)		(268)		(252)
Management fees:						
Management fees- Augustea Technoservices Ltd. and affiliates (f)	$	(6,564)	$	(6,588)	$	(6,472)
Management fees- Songa Shipmanagement Ltd. (g)		(32)		-		-
Management fees- Iblea Ship Management Limited (h)		-		-		(79)
Charter-in hire expenses:						
Charter - in hire expenses - AOM (k)	$	(2,589)	$	(5,442)	$	(4,069)
Charter - in hire expenses - Sydelle (i)		(5,505)		(540)		-
Charter - in hire expenses - Coromel (l)		(5,723)		(249)		-
Charter - in hire expenses - Eagle Bulk (m)		(1,908)		-		-

3. Transactions with Related Parties – (continued):

a) Interchart Shipping Inc. (or "Interchart"): The Company holds 33% of the total outstanding common shares of Interchart. The ownership interest was purchased in 2014 from an entity affiliated with family members of Company's Chief Executive Officer. This investment is accounted for as an equity method investment and is presented within "Long term investment" in the consolidated balance sheets. The Company has entered into a services agreement with Interchart for chartering, brokering and commercial services for all of the Company's vessels which from August 1, 2019 until October 1, 2021 provided for a monthly fee of $315 ($325 monthly fee for the remaining period in 2019) and then amended to increase the monthly fee to $345 until December 31, 2021.

b) Management and Directors Fees: As of December 31, 2021, the Company was party to consulting agreements with companies owned and controlled by each one of its Chief Operating Officer and Co-Chief Financial Officers. Pursuant to the corresponding agreements, the Company is required to pay an aggregate base fee of $537 per year. Additionally pursuant to these agreements, these entities are entitled to receive an annual discretionary bonus, as determined by the Company's Board of Directors in its sole discretion. In addition, non-employee directors of the Board of Directors receive an annual cash retainer of $15, each, the chairman of the audit committee receives a fee of $15 per year and each of the audit committee members receives a fee of $7.5. Lastly, each chairman of the other standing committees receives an additional $5 per year while each director is reimbursed for out-of-pocket expenses in connection with attending meetings of the board of directors or committees.

c) Office rent: On January 1, 2012, Starbulk S.A. entered into a lease agreement for office space with Combine Marine Ltd., a company controlled by Mrs. Milena - Maria Pappas and by Mr. Alexandros Pappas, both of whom are children of the Company's Chief Executive Officer. The lease agreement provides for a monthly rental of €2,500 (approximately $2.9, using the exchange rate as of December 31, 2021, which was $1.14 per euro). Unless terminated by either party, the agreement will expire in January 2024. In addition, on December 21, 2016, Starbulk S.A., entered into a six year lease agreement for office space with Alma Properties, a company controlled by Mrs. Milena - Maria Pappas. The lease agreement provides for a monthly rental of €300 (approximately $0.3, using the exchange rate as of December 31, 2021, which was $1.14 per euro).

d) Oceanbulk Maritime S.A. (or "Oceanbulk Maritime"): Oceanbulk Maritime is a ship management company controlled by Mrs. Milena-Maria Pappas. A company affiliated to Oceanbulk Maritime provides the Company certain financial corporate development services.

e) Oaktree Shareholder Agreement: On July 11, 2014, the Company and Oaktree Dry Bulk Holding LLC (including affiliated funds, "Oaktree"), one of the Company's major shareholders, entered into a shareholders agreement (the "Oaktree Shareholders Agreement"). Under the Oaktree Shareholders Agreement, Oaktree has the right to nominate four of the Company's nine directors so long as it beneficially owns 40% or more of the Company's outstanding voting securities. The number of directors able to be designated by Oaktree is reduced to three directors if Oaktree beneficially owns 25% or more but less than 40% of the Company's outstanding voting securities, to two directors if Oaktree beneficially owns 15% or more but less than 25%, and to one director if Oaktree beneficially owns 5% or more but less than 15%. Oaktree's designation rights terminate if it beneficially owns less than 5% of the Company's outstanding voting securities. The three directors currently designated by Oaktree are Mr. Laibow and Mmes. Ralph and Men. Under the Oaktree Shareholders Agreement, with certain limited exceptions, Oaktree effectively cannot vote more than 33% of the Company's outstanding common shares (subject to adjustment under certain circumstances).

f) Augustea Technoservices Ltd. and affiliates: Following the completion of the acquisition of 16 operating dry bulk vessels (the "Augustea Vessels") from entities affiliated with Augustea Atlantica SpA and York Capital Management in an all-share transaction (the "Augustea Vessel Purchase Transaction") on August 3, 2018, the Company appointed Augustea Technoservices Ltd., an entity affiliated with certain of the sellers of the corresponding transaction and specifically with one of the Company's directors, Mr. Zagari, as the technical manager of certain of its vessels.

g) Songa Shipmanagement Ltd.: Following the completion of the acquisition of 15 operating dry bulk vessels (the "Songa Vessels") from Songa Bulk ASA ("Songa") (the "Songa Vessel Purchase Transaction") on July 6, 2018, the Company appointed Songa Shipmanagement Ltd, an entity affiliated with certain of the sellers of the corresponding transaction and specifically with one of the Company's directors, Mr. Blystad, as the technical manager of certain of its vessels. On March 31, 2019, the respective management agreement was terminated.

3. Transactions with Related Parties - (continued):

h) Iblea Ship Management Limited: In 2021 the Company appointed Iblea Ship Management Limited, an entity affiliated with one of the Company's directors, Mr. Zagari, to provide certain management services to certain vessels, which previously were managed by Augustea Technoservices Ltd.

i) Sydelle Marine Limited (or "Sydelle") – Charter in Agreement: During 2019 and 2020, the Company entered into certain freight agreements with Sydelle, a company controlled by members of the family of the Company's Chief Executive Officer, to charter-in its vessel.

j) StarOcean Manning Philippines Inc. (or "Starocean"): The Company has 25% ownership interest in Starocean, a company that is incorporated and registered with the Philippine Securities and Exchange Commission, which provides crewing agency services. The remaining 75% interest is held by local entrepreneurs. This investment is accounted for as an equity method investment which as of December 31, 2020 and 2021 is $128 and $152, respectively, and is presented within "Long term investment" in the consolidated balance sheets.

k) Augustea Oceanbulk Maritime Malta Ltd (or "AOM"): On September 24, 2019, the Company chartered-in the vessel *AOM Marta*, which is owned by AOM, an entity affiliated with Augustea Atlantica SpA and certain members of the Company's Board of Directors. The agreed rate for chartering-in *AOM Marta* was index-linked, and she was redelivered to her owners on June 8, 2021.

l) Coromel Maritime Limited (or "Coromel"): During 2019 and 2020, the Company entered into certain freight agreements with ship-owning company Coromel to charter-in its vessel. Coromel is controlled by family members of the Company's Chief Executive Officer.

m) Eagle bulk Pte. Ltd. (or "Eagle Bulk"): In 2019, the Company entered into two time charter agreements with Eagle Bulk to charter-in two of its vessels for a daily rate of $16.3 and $15.8, respectively for a period approximately of two months for each vessel. In addition, in 2021 Eagle Bulk chartered one of the Company's vessels for a daily rate of $39.3 with the vessel having been redelivered to the Company before year end. Eagle Bulk is related to Oaktree, one of the Company's major shareholders (please refer to e) above).

n) Short Pool: During the second quarter of 2020, the Company together with Golden Ocean Group, Bocimar International NV and Oceanbulk International S.A (collectively the "Short Pool Members") have agreed to enter into Contracts of Affreightment ("COAs") with major miners and commodity traders to transport dry bulk commodities at fixed freight rates (the "Short Pool"). The Short Pool Members may use their own vessels or charter-in from the market to perform the COAs.

o) Piraeus Bank S.A. ("Piraeus Bank"): On July 3, 2020, the Company entered into a loan agreement with Piraeus Bank for a loan of up to $50,350. In addition, during 2020 the Company entered into an interest rate swap agreement with Piraeus Bank (Note 17). Both the loan agreement and the interest swap agreement with Piraeus Bank were early terminated in September 2021. One of the Company's independent members of the board of directors at that time was serving as executive member of Piraeus Bank. This director was not involved in the Company's decisions with regards to the aforementioned loan and swap agreements.

p) Capesize Chartering Ltd. (or "CCL Pool"): On December 30, 2020 a funding of $125 that the Company had provided to Capesize Chartering Ltd, or CCL Pool, was converted to equity with the Company holding 25% ownership interest of CCL Pool. The participation to CCL is accounted for as an equity method investment. The Company's initial investment of $125 in CCL Pool is presented within "Long-term investment" in the consolidated balance sheet as of December 31, 2021. The Company's subsequent share of results is insignificant at December 31, 2020 and 2021.

q) Hartree Partners, LP: During the year ended December 31, 2021 the Company acquired bunkers from Hartree Partners, LP, an entity controlled by Oaktree Capital Management LP, the Company's largest shareholder (please refer to e) above).

4. Inventories:

The amounts shown in the consolidated balance sheets are analyzed as follows:

	December 31, 2020	December 31, 2021
Lubricants	$ 11,877	$ 12,522
Bunkers	35,417	62,555
Total	**$ 47,294**	**$ 75,077**

5. Vessels and other fixed assets, net:

The amounts in the consolidated balance sheets are analyzed as follows:

	Cost	Accumulated depreciation	Net Book Value
Balance, December 31, 2019	**$ 3,475,996**	**$ (510,469)**	**$ 2,965,527**
- Acquisitions, improvements and other vessel costs	53,885	-	53,885
- Depreciation for the period	-	(142,293)	(142,293)
Balance, December 31, 2020	**$ 3,529,881**	**$ (652,762)**	**$ 2,877,119**
- Acquisitions, improvements and other vessel costs	288,559	-	288,559
- Depreciation for the period	-	(152,640)	(152,640)
Balance, December 31, 2021	**$ 3,818,440**	**$ (805,402)**	**$ 3,013,038**

As of December 31, 2021, 88 of the Company's 128 vessels, having a net carrying value of $2,135,408, were subject to first-priority mortgages as collateral to their loan facilities (Note 7). Title of ownership is held by the relevant lenders for another 35 vessels with a carrying value of $818,845 to secure the relevant sale and lease back financing transactions (Note 6). In addition, certain of the Company's vessels having a net carrying value of $616,578 are subject to second-priority mortgages as collateral to certain of the Company's loan facilities (Note 7).

5. Vessels and other fixed assets, net - (continued):

Vessels acquired/delivered during the year ended December 31, 2020 and 2021:

No vessel acquisitions or disposals took place during the year ended December 31, 2020. The amounts reported under “Acquisitions, improvements, and other vessel costs” in the table above which were incurred during the year ended December 31, 2020 were made mainly in connection with the acquisition and installation of scrubber equipment and ballast water management systems on certain of the Company’s vessels.

On December 17, 2020, the Company entered into a definitive agreement with entities affiliated with E.R. Capital Holding GmbH & Cie. KG, pursuant to which the Company agreed to acquire three Capesize drybulk vessels, *Star Marilena*, *Star Bueno* and *Star Borneo*, (“E.R. Acquisition Vessels”). The E.R. Acquisition Vessels are retrofitted with exhaust gas cleaning systems. The acquisition was concluded with the delivery of the vessels to the Company on January 26, 2021. Consideration for the acquisition was payable in the form of $39,000 in cash and 2,100,000 of the Company’s common shares, which shares were issued on January 26, 2021 to E.R. Schiffahrt GmbH & Cie. KG. The cash consideration was financed through proceeds received from the loan agreement that the Company entered into with SEB $39,000 Facility (Note 7).

On February 2, 2021, the Company entered into an agreement with Eneti Inc. (NYSE: NETI), formerly known as Scorpio Bulkers Inc., and certain other parties to acquire seven vessels, consisting of three Ultramax vessels, *Star Athena* (ex- *SBI Pegasus)*, *Star Bovarius (ex- SBI Ursa)* and *Star Subaru (ex- SBI Subaru)*, and four Kamsarmax vessels, *Star Capoeira (ex- SBI Capoeira)*, *Star Carioca (ex- SBI Carioca)*, *Star Lambada (ex- SBI Lambada)* and Star *Macarena (ex- SBI Macarena)*, (the “Eneti Acquisition Vessels”) by assuming the outstanding lease obligations of the Eneti Acquisition Vessels (Note 6).

As consideration for this transaction the Company agreed to issue to Eneti Inc. 3,000,000 newly issued common shares of the Company. To facilitate the issuance of these common shares, the Company issued to Eneti Inc. a warrant to purchase up to 3,000,000 of the Company’s common shares (the “Eneti Warrant”). The Eneti Warrant was issued on February 2, 2021 and, subject to its terms and conditions, was agreed to be exercised at an exercise price of $0.01 per share in connection with the delivery date of each of the Eneti Acquisition Vessels. Six out of seven vessels were delivered to the Company on March 16, 2021 on which date the warrant was partially exercised with the Company issuing 2,649,203 of its common shares and assuming the outstanding lease obligations attributable to these six vessels (Note 6). The seventh and final vessel, the *Star Athena* (ex- *SBI Pegasus),* was delivered to the Company on May 19, 2021, upon which the remaining 350,797 common shares were issued and the Company assumed the vessel’s then outstanding lease obligations (Note 6).

Lastly, on March 3, 2021 the Company entered into a definitive agreement with a third party to acquire two eco type resale 82,000 dwt Kamsarmax vessels (the “Kamsarmax Resale Vessels”) at a price of $55,000 in aggregate. On May 25, 2021 and June 16, 2021, the *Star Elizabeth* and the *Star Pavlina*, respectively, the two Kamsarmax Resale Vessels, were delivered to the Company directly from YAMIC yard (a joint venture between Mitsui and New Yangzijiang).

Impairment Analysis

In connection with the sale of *Star Gamma* and *Star Anna*, in 2019, the Company recognized an aggregate impairment loss of $3,411.

In light of the economic downturn and the prevailing conditions in the shipping industry, as of December 31, 2020 and 2021, as part of the Company’s annual impairment analysis, the Company examined its operating vessels whose carrying value was above its market value. This analysis for both years 2020 and 2021 did not result in any impairment charges.

6. Lease financing:

New financing through bareboat leases during the year ended December 31, 2021:

On the delivery date of each Eneti Acquisition Vessel to the Company (Note 5), a tripartite novation agreement between China Merchants Bank Leasing ("CMBL"), Eneti Inc. and the Company was executed, which resulted in an increase of the Company's lease financing obligations by $96,101 in 2021, taking into account an amount of $500 per vessel that was paid by the Company to the lessors as security for its obligations which amount will progressively be released until May 2025. Pursuant to the terms of each bareboat charter, the Company pays CMBL a fixed bareboat charter hire rate in quarterly installments plus interest and has options to purchase each vessel starting on May 2022, at a pre-determined, amortizing purchase price which is considered to be at significantly lower level compared to the expected fair value of each vessel at any date between May 2022 and the expiration of the bareboat charter term, on May 2026.

Pre- existing financing through bareboat leases:

On August 27, 2020, the Company entered into sale and leaseback agreements with CMBL for the vessels *Laura*, *Idee Fixe*, *Roberta*, *Kaley*, *Diva*, *Star Sirius* and *Star Vega*. On August 28 and August 31, 2020, the Company received an aggregate amount of $82,764, in connection with the finalization of the sale and leaseback transactions of the aforementioned vessels, except for the vessel *Diva*, which transaction was finalized on November 17, 2020 and in connection with which the Company received an additional amount of $7,236. The amounts received were used to pay the remaining amounts of i) $51,060 under the previous lease agreements for the first four vessels and ii) $24,630 under the then existing loan with DNB (the "DNB $310,000 Facility") for the remaining three vessels. The lease terms are for five years and pursuant to the terms of each bareboat charter, the Company pays CMBL a fixed bareboat charter hire rate in quarterly installments plus interest and has options to purchase each vessel starting on the first anniversary of such vessel's delivery to the Company, at a pre-determined, amortizing purchase price.

On September 3, 2020, the Company entered into an agreement to sell *Star Lutas* to SK Shipholding S.A. and simultaneously entered into a seven-year bareboat charter for the vessel. Pursuant to the terms of the bareboat charter, the Company pays a daily bareboat charter hire rate monthly plus interest, and the Company has an option to purchase the vessel starting on the third anniversary of the vessel's delivery to the Company at a pre-determined, amortizing purchase price. The Company also has an obligation to purchase the vessel at the expiration of the bareboat term at a purchase price of $7,441. The amount of $16,000 received under the agreement on September 18, 2020, was used to pay the vessel's remaining amount of $9,258 under the then existing loan agreement.

On September 21, 2020, the Company entered into sale and leaseback agreements with SPDB Financial Leasing Co. Ltd for the vessels *Mackenzie*, *Kennadi*, *Honey Badger*, *Wolverine* and *Star Antares*. In September 2020, an aggregate amount of $76,500 was received pursuant to the five sale and leaseback agreements, which was used to pay the remaining amount of $47,782 under the then existing loan agreement. The lease terms are for eight years and pursuant to the terms of each bareboat charter, the Company pays a fixed bareboat charter hire rate in quarterly installments plus interest and has options to purchase each vessel starting on the third anniversary of such vessel's delivery to the Company, at a pre-determined, amortizing purchase price while it has an obligation to purchase each vessel at the expiration of the bareboat term at a purchase price ranging from $7,776 to $7,916.

On September 25, 2020, the Company entered into sale and leaseback agreements with ICBC Financial Leasing Co., Ltd. (the "ICBC") for the vessels *Gargantua*, *Goliath* and *Maharaj*. An aggregate amount of $93,150 was received on September 29, 2020, pursuant to the three sale and leaseback agreements, which was used to pay the remaining amount of $64,478 for the respective vessels under the DNB $310,000 Facility. The lease terms are for 10 years and pursuant to the terms of each bareboat charter, the Company pays a fixed bareboat charter hire rate in quarterly installments plus interest and has options to purchase each vessel starting on the third anniversary of such vessel's delivery to the Company, at a pre-determined, amortizing purchase price while it has an obligation to purchase each vessel at the expiration of the bareboat term at a purchase price of $14,000.

6. Lease financing-(continued):

Pre- existing financing through bareboat leases-(continued):

On March 29, 2019, the Company entered into an agreement to sell *Star Pisces* to SK Shipholding S.A. and simultaneously entered into a seven-year bareboat charter for the vessel. Pursuant to the terms of the bareboat charter, the Company pays a daily bareboat charter hire rate monthly plus interest, and the Company has an option to purchase the vessel starting on the third anniversary of the vessel's delivery to the Company at a pre-determined, amortizing purchase price. The Company also has an obligation to purchase the vessel at the expiration of the bareboat term at a purchase price of $7,628. The amount of $19,125 provided under the agreement which was concluded in April 2019, was used to pay the remaining amount of $11,671 under the then existing loan agreement.

On May 22, 2019, the Company entered into an agreement to sell *Star Libra* to Ocean Trust Co. Ltd. and simultaneously entered into a seven-year bareboat charter for the vessel. Pursuant to the terms of the bareboat charter, the Company pays a daily bareboat charter hire rate quarterly plus interest, and the Company has an option to purchase the vessel at any time after the vessel's delivery to the Company at a pre-determined, amortizing purchase price. The Company also has an obligation to purchase the vessel at the expiration of the bareboat term at a purchase price of $18,107. The amount of $33,950 provided under the agreement which was concluded in July 2019, was used to pay the remaining amount under the previous lease agreement for *Star Libra.*

On July 10, 2019, the Company entered into an agreement to sell *Star Challenger* to Kyowa Sansho Co. Ltd. and simultaneously entered into an eleven-year bareboat charter party contract for the vessel. Pursuant to the terms of the bareboat charter, the Company pays a daily bareboat charter hire rate monthly plus a variable amount and the Company has an option to purchase the vessel starting on the third anniversary of vessel's delivery to the Company at a pre-determined, amortizing purchase price. The Company also has an obligation to purchase the vessel at the expiration of the bareboat term. The amount of $15,000 provided under the agreement was used to pay the remaining amount of approximately $10,874 under the then existing loan agreement.

In order to finance the cash portion of the consideration for the acquisition of 11 vessels from Delphin Shipping LLC, in July 2019, the Company entered, for each of the subject vessels, into an agreement to sell each such vessel and simultaneously entered into a seven-year bareboat charter party contract with affiliates of CMBL for each vessel upon its delivery from Delphin. CMBL agreed to provide an aggregate finance amount of $91,431. Pursuant to the terms of each bareboat charter, the Company pays CMBL a fixed bareboat charter hire rate in quarterly installments plus interest. Under the terms of the bareboat charters, the Company has options to purchase each vessel starting on the first anniversary of such vessel's delivery to the Company, at a pre-determined, amortizing purchase price, while it has an obligation to purchase each vessel at the expiration of the bareboat term at a purchase price ranging from $975 to $3,379. In addition, CMBL provided an additional aggregate amount of $15,000, under the aforementioned bareboat charters which was used to finance the acquisition and installation of scrubber equipment for the respective vessels. Total amount was received during the second and third quarter of 2020 and will be repaid in 12 equal quarterly installments plus interest. In December 2021, the Company repaid the outstanding amounts of $19,222 for three out of the 11 vessels.

In December 2018, the Company sold and simultaneously entered into a bareboat charter party contract with an affiliate of Kyowa Sansho to bareboat charter the vessel *Star Fighter* for ten years. Pursuant to the terms of the bareboat charter, the Company pays a daily bareboat charter hire rate payable monthly plus a variable amount. Under the terms of the bareboat charter, the Company has an option to purchase the vessel starting on the third anniversary of the vessel's delivery to the Company at a pre-determined, amortizing purchase price, while it has an obligation to purchase the vessel at the expiration of the bareboat term at a purchase price of $2,450. The amount of $16,125 provided under the respective agreement was used to pay the remaining amount of approximately $11,958 under the then existing loan agreement.

Some of the Company's bareboat lease agreements contain financial covenants similar to those included in the Company's credit facilities described in detail in Note 7 below.

6. Lease financing - (continued):

All of the Company's lease financing agreements, described above, contain purchase options during their terms, at pre-determined amortizing purchase prices, and/or purchase obligations at the expiration of their terms, at fixed prices, which , at the time of recognition were considered to be at significantly lower levels compared to the expected fair value of each vessel at that time. Based on applicable accounting guidance, such transactions are accounted for as financing arrangements and accordingly the Company presents the corresponding leased vessels at their net book values on its consolidated balance sheets in " Vessels and other fixed assets, net", while the financing liability is presented in "Lease financing" in the Company's consolidated balance sheets. The corresponding interest expense of the Company's bareboat lease financing activities is included within "Interest and finance costs" in the consolidated statements of operations (Note 7).

The principal payments required to be made after December 31, 2021, for the outstanding bareboat lease obligations recognized on the balance sheet as described above, are as follows:

Twelve month periods ending		Amount
December 31, 2022	$	50,434
December 31, 2023		48,843
December 31, 2024		46,798
December 31, 2025		75,842
December 31, 2026		110,434
December 31, 2027 and thereafter		125,440
Total bareboat lease minimum payments	**$**	**457,791**
Unamortized lease issuance costs		(5,318)
Total bareboat lease minimum payments, net	**$**	**452,473**
Lease financing short term		50,434
Lease financing long term, net of unamortized lease issuance costs		402,039

7. Long-term bank loans:

New Financing Activities during the year ended December 31, 2021

(i) SEB $39,000 Facility:

On January 22, 2021, the Company entered into a loan agreement with Skandinaviska Enskilda Banken AB (SEB), (the "SEB $39,000 Facility"), for the financing of an amount of $39,000. The amount was drawn on January 25, 2021 and used to finance the cash consideration for the E.R. Acquisition Vessels (Note 5), which were delivered to the Company on January 26, 2021. The facility is repayable in 20 equal quarterly principal payments of $1,950 with the last installment due in January 2026. The SEB $39,000 Facility is secured by a first priority mortgage on the E.R. Acquisition Vessels.

(ii) NBG $125,000 Facility:

On June 24, 2021, the Company entered into an agreement with the National Bank of Greece for a term loan with one drawing in an amount of up to $125,000 (the "NBG $125,000 Facility"). On June 28, 2021, the amount of $125,000 was drawn under the NBG $125,000 Facility to refinance the outstanding amount of $98,505 under the DNB $310,000 Facility. The facility is repayable in 20 equal quarterly principal payments of $3,750 and a balloon payment of $50,000 payable together with the last installment due in June 2026.The NBG $125,000 Facility is secured by first priority mortgages on vessels *Big Bang, Strange Attractor, Big Fish, Pantagruel , Star Nasia, Star Danai, Star Renee, Star Markella, Star Laura, Star Moira, Star Jennifer, Star Mariella, Star Helena, Star Maria, Star Triumph, Star Angelina and Star Gwyneth.*

(iii) ING $210,600 Facility:

On August 19, 2021, the Company entered into an amended and restated facility agreement with ING Bank N.V., London Branch (ING) (the "ING $210,600 Facility"), in order to increase the financing by $40,000 and to include additional borrowers under the existing ING $170,600 Facility (discussed below). The additional financing amount of $40,000 was available in two equal tranches and were drawn on August 23, 2021 in order to finance part of the acquisition cost of the vessels *Star Elizabeth* and *Star Pavlina* (Note 5*)*. Each tranche is repayable in 20 consecutive quarterly principal payments of $294 plus a balloon payment of $14,118 due five years after their drawdown. ING $210,600 Facility, is secured also by a first priority mortgage on the additional vessels Star Elizabeth and Star Pavlina.

(iv) DNB $107,500 Facility:

On September 28, 2021, the Company entered into an agreement with the DNB Bank ASA for a term loan with one drawing in an amount of up to $107,500 (the "DNB $107,500 Facility"). On September 29, 2021, the maximum amount was drawn and used to refinance the aggregate outstanding amount of $85,798 under the then existing facilities with (i) Credit Agricole Corporate and Investment Bank (the "Credit Agricole $43,000 Facility"), (ii) Piraeus Bank (the "Piraeus Bank $50,350 Facility") and (iii) Bank of Tokyo (the "Bank of Tokyo Facility"). The facility is repayable in 20 equal quarterly principal payments of $3,707 and a balloon payment of $33,362 payable together with the last installment due in September 2026. The DNB $107,500 Facility is secured by first priority mortgages on the vessels *Star Luna, Star Astrid, Star Genesis, Star Electra, Star Glory Star Monica, Star Borealis and Star Polaris.*

(v) ABN AMRO $97,150 Facility:

On October 27, 2021, the Company entered into an agreement with the ABN AMRO Bank N.V, for a loan facility of up to $97,150 (the "ABN AMRO $97,150 Facility"). The amount of $97,150 was drawn on October 29, 2021 and was used to refinance the outstanding amount of $89,850 under the then existing facility with Citibank N.A., London Branch (the "Citi $130,000 Facility"). The ABN AMRO $97,150 Facility was available in two tranches, one of $68,950 which is repayable in 20 equal quarterly principal payments of $2,250 and a balloon payment of $23,950 payable together with

7. Long-term bank loans- (continued):

New Financing Activities during the year ended December 31, 2021 – (continued)

the last installment due in October 2026 and one of $28,200 which is repayable in 12 equal quarterly principal payments of $2,350, maturing in October 2024. The ABN AMRO $97,150 Facility is secured by a first priority mortgage on the vessels *Star Pauline, Star Angie, Star Sophia, Star Georgia, Star Kamila, Star Nina, Star Eva, Star Paola, Star Aphrodite, Star Lydia and Star Nicole.*

(vi) Credit Agricole $62,000 Facility:

On October 29, 2021, the Company entered into a loan agreement with Credit Agricole Corporate and Investment Bank (the "Credit Agricole $62,000 Facility") for the financing of an aggregate amount of $62,000, to refinance the aggregate outstanding amount of $49,391 under the then existing loan agreements with Alpha Bank S.A. (the "Alpha Bank $35,000 Facility") and BNP Paribas (the "BNP Facility") and to prepay an amount of $1,999 under the Attradius Facility (discussed below), in connection with the vessels *Star Despoina* and *Star Piera*. The amount of $62,000 was drawn on November 2, 2021, and is repayable in 20 quarterly installments of which the first three will be of $3,000 and the following 17 of $2,600 and a balloon payment of $8,800, payable together with the last installment due in November 2026. The Credit Agricole $62,000 Facility is secured by the vessels *Star Martha, Star Sky, Stardust, Star Despoina and Star Piera.*

Pre - Existing Loan Facilities

i) HSBC Working Capital Facility:

On February 6, 2020, the Company entered into a loan agreement with HSBC France for a revolving facility of an amount of up to $30,000 (the "HSBC Working Capital Facility"), in order to finance working capital requirements. Each advance provided under the HSBC Working Capital Facility is repayable within 90 days from its drawdown. The agreement is secured by second priority mortgage on the eight vessels which secure the HSBC $80,000 Facility. As of December 31, 2021 the whole amount is available to the Company under this facility. The facility is subject to annual renewals from the lender with the last being effective until February 2022 and no further renewal took place. The whole amount was available to the Company as of December 31, 2020 and 2021, respectively, and therefore no outstanding balance has been included in the consolidated balance sheets in respect of this short term working capital facility.

ii) DSF $55,000 Facility

On March 26, 2020, the Company entered into a loan agreement with Danish Ship Finance A/S (the "DSF $55,000 Facility") for the financing of an amount of up to $55,000. The facility was available in two tranches of $27,500 each, both of which were drawn on March 30, 2020 and used to refinance the outstanding amounts under the lease agreements of the vessels *Star Eleni and Star Leo*. Each tranche is repayable in 10 consecutive, semi-annual principal payments of $1,058 and a balloon payment of $16,923 payable simultaneously with the last installment, which is due in April 2025. The DSF $55,000 Facility is secured by a first priority mortgage on the two vessels. In addition, in April 2020, the Company elected to exercise its option under the DSF $55,000 Facility to convert the floating part of the interest rate linked to US LIBOR, to a fixed rate of 0.581% per annum for a period of three years starting from July 1, 2020.

iii) ING $170,600 Facility

On July 1, 2020, the Company entered into an amended and restated facility agreement with ING the "ING 170,600 Facility", in order to increase the financing by $70,000 and to include additional borrowers under the existing ING $100,600 Facility. The additional financing amount of $70,000 was available in six tranches, all of which were drawn on July 6, 2020, and used to refinance all outstanding amounts under the lease agreements with CMBL of the vessels *Star Claudine, Star Ophelia, Star Lyra, Star Bianca, Star Flame and Star Mona*. Each tranche is repayable in 24 equal consecutive quarterly principal payments. Under the ING $100,600 Facility as last amended and restated on March 28, 2019, the following financing amounts have also been drawn: i) in October 2018, two tranches of $22,500 each, which are repayable in 28 equal consecutive quarterly installments of $469 and a balloon payment of $9,375 payable together with the last installment and was used to refinance the outstanding amount under the then existing loan agreement of the vessels *Peloreus and Leviathan,* ii) in July 2019, two tranches of $1,400 each, which are repayable in 16 equal consecutive quarterly installments of $88 each, and was used to finance the acquisition and installation of scrubber equipment for the vessels *Peloreus and Leviathan*, iii) in March 2019 and April 2019 two tranches of $32,100 and $17,400, respectively, which are repayable in 28 equal consecutive quarterly principal payments of $535 and $311, plus a balloon payment of $17,120 and $8,700, respectively, for each of the two vessels, both due in seven years after the drawdown date, and was used to refinance the outstanding amounts under the then existing lease agreements of the vessels *Star Magnanimus and Star Alessia,* and iv) in May 2019 and November 2019, two tranches of $1,400 each, which are repayable in 16 equal consecutive quarterly installments of $88 each, and used to finance the acquisition and installation of scrubber equipment for the vessels *Star Magnanimus and Star Alessia.* The ING $170,600 Facility is secured by a first priority mortgage on the vessels *Peloreus, Leviathan, Star Magnanimus, Star Alessia, Star Claudine, Star Ophelia, Star Lyra, Star Bianca, Star Flame and Star Mona*.

7. Long-term bank loans- (continued):

Pre - Existing Loan Facilities – (continued)

iv) NTT $17,600 Facility

On July 10, 2020, the Company entered into a loan agreement with a wholly owned subsidiary of NTT Finance Corporation for an amount of $17,600 (the "NTT $17,600 Facility"). The amount was drawn on July 20, 2020 and used to refinance the outstanding amount under the lease agreement with CMBL of the vessel *Star Calypso*. The facility is repayable in 20 quarterly principal payments of $476 and a balloon payment of $8,086, which is due in July 2025. The NTT $17,600 Facility is secured by first priority mortgage on the aforementioned vessel.

v) CEXIM $57,564 Facility

On December 1, 2020, the Company entered into a loan agreement with China Export-Import Bank for an amount of $57,564 (the "CEXIM $57,564 Facility") which was drawn in four tranches in late December 2020 and used to refinance (i) the outstanding amount of $41,982, in aggregate, of the vessels *Star Gina 2GR*, *Star Charis* and *Star Suzanna* under the DNB $310,000 Facility and (ii) the outstanding amount under the lease agreement with CMBL of the vessel *Star Wave* . The first two tranches for *Star Wave* of $13,209 and for *Star Gina 2GR* of $26,175*,* are repayable in 32 equal quarterly installments of $330 and $654 and a balloon payment of $2,642 and $5,235, respectively, due in December 2028. The remaining two tranches of $9,090 each, for *Star Charis* and *Star Suzanna,* are repayable in 32 equal quarterly installments. The facility matures in December 2028 and is secured by first priority mortgages on the four aforementioned vessels.

vi) SEB Facility:

On January 28, 2019, the Company entered into a loan agreement with Skandinaviska Enskilda Banken AB (SEB), (the "SEB Facility"), for the financing of an amount of up to $71,420. The facility was available in four tranches. The first two tranches of $32,825, each, were drawn on January 30, 2019 and used together with cash on hand to refinance the outstanding amounts under the then existing lease agreements of the vessels *Star Laetitia* and *Star Sienna.* Each tranche matures six years after the drawdown date and is repayable in 24 consecutive, quarterly principal payments of $677 for each of the first 10 quarters and of $524 for each of the remaining 14 quarters, and a balloon payment of $18,723, payable simultaneously with the last quarterly installment, which is due in January 2025. Two tranches of $1,260 each, were drawn in September 2019 and March 2020 and were used to finance the acquisition and installation of scrubber equipment for the respective vessels. Both tranches are repayable in 12 equal consecutive quarterly installments. The SEB Facility is secured by a first priority mortgage on the two vessels.

vii) E SUN Facility:

On January 31, 2019, the Company entered into a loan agreement with E. SUN Commercial Bank, Hong Kong branch, (the "E.SUN Facility"), for the financing of an amount of $37,100, which was used to refinance the outstanding amount under the then existing lease agreement of the vessel *Star Ariadne*. On March 1, 2019, the Company drew the amount of $37,100, which is repayable in 20 consecutive, quarterly principal payments of $618, plus a balloon payment of $24,733 payable simultaneously with the last quarterly installment, which is due in March 2024. The E.SUN Facility is secured by a first priority mortgage on the vessel *Star Ariadne*.

viii) Atradius Facility:

On February 28, 2019, the Company entered into a loan agreement with ABN AMRO Bank N.V. (the "Atradius Facility") for the financing of an amount of up to $36,645, which was used to finance the acquisition and installation of scrubber equipment for 42 vessels. The financing is credit insured (85%) by Atradius Dutch State Business N.V. of the Netherlands (the "Atradius"). During 2019, three tranches of $33,311 in aggregate were drawn and the last tranche of $3,331 was drawn in January 2020. In September 2021, the Company prepaid an amount of $1,999, in connection with the vessels *Star Despoina* and *Star Piera* (described above) and the remaining six semi-annual installments were amended to $3,331, with the last installment due in June 2024. The facility is secured by a second-priority mortgage on 20 vessels of the Company's fleet.

7. Long-term bank loans- (continued):

Pre - Existing Loan Facilities – (continued)

ix) Citibank $62,600 Facility:

On May 8, 2019, the Company entered into a loan agreement with Citibank N.A., London Branch (the "Citibank $62,600 Facility"). In May 2019, the Company drew the aggregate amount of $62,563, which was used, together with cash on hand, to refinance the outstanding amounts under the then existing lease agreements of the vessels *Star Virgo* and *Star Marisa*. The facility is repayable in 20 quarterly principal payments of $1,298 and a balloon payment of $36,611 payable simultaneously with the last quarterly installment, which is due in May 2024. The Citibank $62,600 Facility is secured by a first priority mortgage on the aforementioned vessels.

x) CTBC Facility:

On May 24, 2019, the Company entered into a loan agreement with CTBC Bank Co., Ltd, (the "CTBC Facility"), for an amount of $35,000, which was used to refinance the outstanding amount under the then existing lease agreement of the vessel *Star Karlie*. The facility is repayable in 20 quarterly principal payments of $730 and a balloon payment of $20,400 payable simultaneously with the last quarterly installment, which is due in May 2024. The CTBC Facility is secured by first priority mortgage on the aforementioned vessel.

xi) NTT Facility:

On July 31, 2019, the Company entered into a loan agreement with a wholly owned subsidiary of NTT Finance Corporation (the "NTT Facility"), for an amount of $17,500. The amount was drawn in August 2019 and was used to refinance the outstanding amount of $11,161 of the vessel *Star Aquarius* under the then existing loan agreement. The facility is repayable in 27 quarterly principal payments of $313 and a balloon payment of $9,063, which is due in August 2026. The NTT Facility is secured by first priority mortgage on the vessel *Star Aquarius*.

xii) CEXIM $106,470 Facility:

On September 23, 2019, the Company entered into a loan agreement with China Export-Import Bank (the "CEXIM $106,470 Facility") for an amount of $106,470, which was used to refinance the outstanding amounts under the then existing lease agreements of the vessels *Katie K, Debbie H and Star Ayesha.* The facility was available in three tranches of $35,490 each, which were drawn in November 2019 and are repayable in 40 equal consecutive quarterly installments of $739 and a balloon payment of $5,915 payable together with the last installment. The CEXIM $106,470 Facility is secured by first priority mortgages on the three aforementioned vessels.

xiii) HSBC $80,000 Facility:

On September 26, 2018, the Company entered into a loan agreement with HSBC Bank plc (the "HSBC $80,000 Facility") to refinance the aggregate outstanding amount of $74,647 under two of the then existing loan agreements. The amount of $80,000 was drawn on September 28, 2018. During 2019, an amount of $7,505 in aggregate, was prepaid in connection with the sale of two vessels under the HSBC $80,000 Facility and the quarterly installments were amended to $2,140 and the final balloon payment, which is payable together with the last installment in August 2023, was amended to $29,095. As of December 31, 2021, the facility is secured by the vessels *Kymopolia, Mercurial Virgo, Pendulum, Amami, Madredeus, Star Emily, Star Omicron, and Star Zeta.*

7. Long-term bank loans - (continued):

Pre - Existing Loan Facilities – (continued)

xiv) ABN $115,000 Facility:

On December 17, 2018, the Company entered into a loan agreement with ABN AMRO Bank (the "ABN $115,000 Facility"), for an amount of up to $115,000 available in four tranches. The first and the second tranches of $69,525 and $7,900, respectively, were drawn on December 20, 2018. The first tranche was used to refinance the then existing indebtedness of the vessels *Star Virginia, Star Scarlett, Star Jeannette and Star Audrey* and the second was used to partially finance the acquisition cost of *Star Bright* . The first and the second tranche are repayable in 20 equal quarterly installments of $1,705 and $282 respectively, and balloon payments are due in December 2023 along with the last installment in an amount of $35,428 and $2,260, respectively. The remaining two tranches of $17,875 each, were drawn in January 2019 and were used to partially finance the acquisition cost of *Star Marianne and Star Janni*. Each of the third and the fourth tranche is repayable in 19 equal quarterly installments of $672 and balloon payment in December 2023 along with the last installment in an amount of $5,114. The loan is secured by a first priority mortgage on the vessels *Star Virginia, Star Scarlett, Star Jeannette, Star Audrey, Star Bright, Star Marianne and Star Janni.*

Redemption 8.30% 2022 Notes:

On November 9, 2017, the Company completed a public offering of $50,000 aggregate principal amount of senior unsecured notes due in 2022 (the "2022 Notes"). The 2022 Notes were not guaranteed by any of the Company's subsidiaries and bore interest at a rate of 8.30% per year, payable quarterly in arrears on the 15th day of February, May, August and November commencing on February 15, 2018. The 2022 Notes would mature on November 15, 2022, however on July 30, 2021, the Company redeemed all of its outstanding Notes, for 100% of the outstanding principal amount, or $50,000, plus accrued and unpaid interest up to but not including the redemption date as prescribed in the indenture governing the 2022 Notes.

7. Long-term bank loans - (continued):

All of the Company's aforementioned facilities are secured by a first-priority ship mortgage on the financed vessels under each facility (one of the facilities is secured by second-priority ship mortgage) and general and specific assignments and guaranteed by Star Bulk Carriers Corp.

Credit Facilities Covenants:

The Company's outstanding credit facilities generally contain customary affirmative and negative covenants, on a subsidiary level, including limitations to:

- pay dividends if there is an event of default under the Company's credit facilities;
- incur additional indebtedness, including the issuance of guarantees, refinance or prepay any indebtedness, unless certain conditions exist;
- create liens on Company's assets, unless otherwise permitted under Company's credit facilities;
- change the flag, class or management of Company's vessels or terminate or materially amend the management agreement relating to each vessel;
- acquire new or sell vessels, unless certain conditions exist;
- merge or consolidate with, or transfer all or substantially all Company's assets to, another person; or
- enter into a new line of business.

Furthermore, the Company's credit facilities contain financial covenants requiring the Company to maintain various financial ratios, including among others:

- a minimum percentage of vessel value to secured loan amount (security cover ratio or "SCR");
- a maximum ratio of total liabilities to market value adjusted total assets;
- a minimum liquidity; and
- a minimum market value adjusted net worth.

As of December 31, 2020 and 2021, the Company was required to maintain minimum liquidity, not legally restricted, of $58,000 and $64,000, respectively, which is included within "Cash and cash equivalents" in the consolidated balance sheets. In addition, as of December 31, 2020 and 2021, the Company was required to maintain minimum liquidity, legally restricted, of $12,320 and $22,986, respectively, which is included within "Restricted cash" current and non-current, in the consolidated balance sheets.

As of December 31, 2021, the Company was in compliance with the applicable financial and other covenants contained in its bank loan agreements and lease financings described in Note 6.

7. Long-term bank loans - (continued):

The weighted average interest rate (including the margin) related to the Company's debt (including 2022 Notes until their redemption date) and lease financings for the years ended December 31, 2019, 2020 and 2021 was 5.28%, 3.63% and 2.94%, respectively. The commitment fees incurred during the years ended December 31, 2019, 2020 and 2021, with regards to the Company's unused amounts under its credit facilities were $806, $65 and $93, respectively. There are no undrawn portions as of December 31, 2021, other than the available amount under the HSBC Working Capital Facility. The principal payments required to be made after December 31, 2021, are as follows:

Twelve month periods ending		**Amount**
December 31, 2022	$	156,701
December 31, 2023		229,392
December 31, 2024		203,988
December 31, 2025		197,233
December 31, 2026		246,580
December 31, 2027 and thereafter		66,214
Total Long term bank loans	**$**	**1,100,108**
Unamortized loan issuance costs		(10,853)
Total Long term bank loans, net	**$**	**1,089,255**
Current portion of long term bank loans		156,701
Long term bank loans, net of current portion and unamortized loan issuance costs		932,554

All of the Company's bank loans and applicable lease financings bear interest at LIBOR plus a margin, except for DSF $55,000 Facility described above. The amounts of "Interest and finance costs" included in the consolidated statements of operations are analyzed as follows:

	Years ended December 31,					
		2019		**2020**		**2021**
Interest on financing agreements	$	81,393	$	58,379	$	45,453
Less: Interest capitalized		(1,018)		–		–
Reclassification adjustments of interest rate swap loss/(gain) transferred to Interest and finance costs from Other Comprehensive Income (Note 17)		–		848		2,351
Amortization of debt (loan, lease & notes) issuance costs		5,590		7,815		6,511
Other bank and finance charges		1,652		2,513		1,721
Interest and finance costs	**$**	**87,617**	**$**	**69,555**	**$**	**56,036**

In connection with the prepayments described above and of lease financings, discussed in Note 6, following the sale of mortgaged vessels and the refinancing of certain credit facilities, during the years ended December 31, 2019, 2020 and 2021, $1,229, $3,701 and $3,612 , respectively, of unamortized debt issuance costs were written off. In addition, during the years ended December 31, 2019, 2020 and 2021, $2,297, $1,223 and $388 of expenses were incurred in connection with the aforementioned prepayments. All aforementioned amounts are included under "Loss on debt extinguishment" in the consolidated statements of operations.

Also in connection with the prepayments described above the Company early terminated certain of its interest rate swaps (Note 17) and the Company received an amount of $307 in aggregate, representing the valuation of the interest rate swaps on the termination date. Lastly, upon the de-designation of an interest rate swap, an amount of $436 representing the cumulative gain on the hedging instrument on the de-designation date, previously recognized in equity was written off, provided that the forecasted transactions associated with this hedge were no longer probable since the corresponding loan was fully prepaid. Both aforementioned amounts are included under "Loss on debt extinguishment" in the consolidated statement of operations for the year ended December 31, 2021.

8. Preferred, Common Shares and Additional paid in capital:

Preferred Shares: Star Bulk is authorized to issue up to 25,000,000 preferred shares, $0.01 par value with such designations, as voting, and other rights and preferences, as determined by the Board of Directors. As of December 31, 2020 and 2021 the Company had not issued any preferred shares.

Common Shares: As per the Company's Amended and Restated Articles of Incorporation, Star Bulk is authorized to issue up to 300,000,000 registered common shares, par value $0.01 per share.

Each outstanding share of the Company's common shares entitles the holder to one vote on all matters submitted to a vote of shareholders. Subject to preferences that may be applicable to any outstanding preferred shares, holders of common shares are entitled to ratably receive all dividends, if any, declared by the Company's Board of Directors out of funds legally available for dividends. Holders of common shares do not have conversion, redemption or preemptive rights to subscribe to any of the Company's securities. All outstanding common shares are fully paid and non-assessable. The rights, preferences and privileges of holders of common shares are subject to the rights of the holders of any preferred shares which the Company may issue in the future.

On November 29, 2018, the Company announced a share repurchase program to purchase up to an aggregate of $50.0 million of the Company's common shares. The timing and amount of any repurchases will be in the sole discretion of the Company's management team, and will depend on legal requirements, market conditions, share price, alternative uses of capital and other factors. The Company is not obligated under the terms of the program to repurchase any of its common shares. The repurchase program has no expiration date and may be suspended or terminated by the Company at any time without prior notice. Common shares repurchased as part of this program will be cancelled by the Company. Pursuant to this share repurchase program, during the fourth quarter of 2018, the Company repurchased 341,363 of its common shares in open market transactions at an average price of $9.17 for an aggregate consideration of $3,145, including minor commissions. All the aforementioned repurchased shares were canceled and removed from the Company's share capital on January 3, 2019.

Pursuant to this share repurchase program, during the twelve month period ended December 31, 2019, the Company repurchased 1,020,000 shares from a non-related party shareholder in a private transaction at a price of $8.40 per share, for an aggregate consideration of $8.6 million and 1,579,195 shares in open market transactions at an average price of $7.49 for an aggregate consideration of $11,831. The repurchased shares were cancelled and removed from the Company's share capital as of December 31, 2019.

In January 2019, the Company issued 999,336 common shares in connection with the acquisition of *Star Janni* and *Star Marianne*.

During the year ended December 31, 2019, the Company issued 4,503,370 shares to Delphin Shipping LLC in connection with the acquisition of 11 dry bulk vessels.

During the year ended December 31, 2019, the Company issued 883,700 shares to the Company's directors and employees in connection with its equity incentive plans (Note 10). On November 20, 2019, the Company's Board of Directors declared a cash dividend of $4,804 (or $0.05 per common share) for the third quarter of 2019, in line with the dividend policy established in November 2019. The total dividend amount was paid in December 2019.

During the year ended December 31, 2020, the Company issued 1,073,490 shares to the Company's directors and employees in connection with its equity incentive plans (Note 10). In addition, within 2020 the Company paid a cash dividend of $ 4,804 (or $0.05 per common share) for the fourth quarter of 2019, in line with the dividend policy established in November 2019.

On August 5, 2021, the Board of Directors authorized a new share repurchase program of up to an aggregate of $50.0 million. The terms and conditions of the program are substantially similar to the terms and conditions of the Company's previous share repurchase program. During the year ended December 31, 2021, the Company repurchased 466,268 shares in open market transactions at an average price of $22.01 per share, for an aggregate consideration of $10.3 million. The repurchased shares were cancelled and removed from the Company's share capital as of December 31, 2021.

As further discussed in Note 5, during the year ended December 31, 2021 the Company issued 2,100,000 and 3,000,000 of its common shares in connection with the delivery of the three E.R. Acquisition Vessels and the seven Eneti Acquisition Vessels, respectively. In addition, during the same period, the Company cancelled its 6,971 treasury shares.

8. Preferred, Common Shares and Additional paid in capital – (continued):

On June 24, 2021, OCM XL Holdings, L.P., a special purpose holding vehicle owned indirectly by certain funds and accounts managed by Oaktree Capital Management, L.P., the Company's largest shareholder, completed an underwritten secondary sale of 2,382,775 common shares of the Company at a price of $22.00 per share. The Company did not sell any common shares and did not receive any proceeds as a result of this secondary sale.

On July 1, 2021, the Company entered into two "at the market" offering programs, one with Jefferies LLC ("Jefferies") and one with Deutsche Bank Securities Inc. ("Deutsche Bank" and together with Jefferies, the "Sales Agents"). In accordance with the terms of each at-the-market sale agreement with Jefferies and Deutsche Bank, the Company may offer and sell a number of its common shares, having an aggregate offering price of up to $75,000 at any time and from time to time through each of the Sales Agents, as agent or principal. The Company intends to use the net proceeds from any sales under the two "at the market" offering programs for capital expenditures, working capital, debt repayment, funding for vessel and other asset or share acquisitions or for other general corporate purposes, or a combination thereof. As of December 31, 2021, no shares have been sold from the Company under either of the two offering programs.

During the year ended December 31, 2021, the Company issued 521,310 shares to the Company's directors and employees in connection with its equity incentive plans (Note 10). In addition, pursuant to its dividend policy, the Company during the year ended December 31, 2021 declared a cash dividend of $230,473 (or $0.30, $0.70 & $1.25 per common share for the first, second and third quarters of 2021, respectively), out of which an amount of $233 remains outstanding as of December 31, 2021.

9. Management fees:

The Company has engaged Ship Procurement Services S.A. ("SPS"), a third party company, to provide to its fleet certain procurement services. During the years ended December 2018 and 2019, the Company entered into the following management agreements with: i) Augustea Technoservices Ltd and Songa Shipmanegement Ltd to provide technical management to certain of its vessels, following the completion of the Augustea Vessel Purchase Transaction and Songa Vessel Purchase Transaction (Note 3) and ii) Equinox Maritime Ltd, Zeaborn GmbH & Co. KG and Technomar Shipping Inc to provide certain management services to certain of its vessels. During the first quarter of 2019, all management agreements with Songa Shipmanagement Ltd. were terminated. In addition, in 2021 the Company appointed Iblea Ship Management Limited to provide certain management services to certain vessels, which previously were managed by Augustea Technoservices Ltd (Note 3).Total management fees under the aforementioned management agreements in effect for the years ended December 31, 2019, 2020 and 2021, were $17,500, $18,405 and $19,489, respectively, and are included in "Management fees" in the consolidated statements of operations.

10. Equity Incentive Plans:

On January 7, 2019, the Company's Board of Directors and Compensation Committee established an incentive program for key employees, pursuant to which an aggregate of 4,000,000 restricted share units (each, a "RSU"), comprising of 10 tranches of 400,000 RSU each, would be issued. The fair value of each issuable share was determined based on the closing price of the Company's common shares on the grant date, January 7, 2019. Each RSU would represent, upon vesting, a right for the beneficiary to receive one common share of the Company. The RSUs would be subject to the satisfaction of certain performance conditions, which would apply if the Company's fleet performed better than the relevant dry bulk charter rate indices as reported by the Baltic Exchange (the "Indices") during 2020 and 2021. The RSUs would start to vest if the Company's fleet performed better than the Indices by at least $120,000, and would vest in increasing amounts if and to the extent the performance of the Company's fleet exceeded the performance that would have been derived based on the Indices by up to an aggregate of $300,000. Subject to the vesting conditions being met on April 30, 2021 and April 30, 2022 (each, a "Vesting Date") two million RSUs would vest on each Vesting Date, on tranches based on the level of performance, and the relevant common shares of the Company would be issued by the Company and distributed to the relevant beneficiaries as per the allocation of the Board of Directors. Any non-vested RSUs at the applicable Vesting Date would be cancelled. As of December 31, 2019, the Company took the view that only for one tranche of the RSUs which would vest on April 30, 2022, the likelihood of vesting met the "more likely than not" threshold under US GAAP and as a result amortization expense for these 400,000 RSUs of $1,235 was recognized and is included under "General and administrative expenses" in the consolidated statement of operations for the year ended December 31, 2019. During the year ended and as of December 31, 2020, the Company determined that the updated likelihood of vesting for any of the 4,000,000 RSUs did not meet a "more likely than not" threshold under US GAAP. As a result, the previously recognized expense of $1,235 was reversed in 2020 and is included under "General and administrative expenses" in the consolidated statement of operations for the year ended December 31, 2020.

10. Equity Incentive Plans - (continued):

On June 7, 2021, the Company's Board of Directors amended the previously announced incentive program. The test metrics for the calculation of the underlying shares of the RSUs that would have been issued, the tranches and the vesting variables were eliminated. Instead, the incentive program provides for the issuance of shares and links this management performance incentive scheme with the savings from the price differential between High Sulfur Fuel Oil / Low Sulfur Fuel Oil gained on the scrubber fitted vessels of the Company's fleet and is calculated on an annual basis ("Bunker Benefit"). In particular, the threshold requirement above which the amended program is triggered is increased to $250.0 million of cumulative Bunker Benefit (instead of the previous threshold of $120.0 million Indices outperformance). Upon the satisfaction of the above new threshold, the Board of Directors shall award a percentage ranging between 5%-10%, at its discretion, of the annual Bunker Benefit, the value of which will be reflected in actual shares to key employees. The duration of the program was also extended from April 2022 to the end of 2024. The Company estimated the intrinsic value of the award basis December 31, 2021 VLSFO-HSFO spread and assuming 5% of scrubber savings to be awarded by the Board of Directors, and as a result an amount of $1,190 was recognized as of that date and is included under "General and administrative expenses" in the consolidated statement of operations for the year ended December 31, 2021.

On May 22, 2019, the Company's Board of Directors adopted the 2019 Equity Incentive Plan (the "2019 Plan") and reserved for issuance 900,000 common shares thereunder. On the same date, 885,000 restricted common shares were granted to certain of the Company's directors, officers and employees of which 685,462 restricted common shares vested in August 2019, 99,769 restricted common shares vested in August 2020 and the remaining 99,769 restricted common shares will vest in August 2022. The fair value of each share was determined based on the closing price of the Company's common shares on the grant date, May 22, 2019.

On May 25, 2020, the Company's Board of Directors adopted the 2020 Equity Incentive Plan (the "2020 Plan") and reserved for issuance 1,100,000 common shares thereunder. On the same date, all of the 1,100,000 restricted common shares were granted to certain of the Company's directors, officers and employees of which 855,380 restricted common shares vested in August 2020, 122,310 restricted common shares vested in May 2021 and the remaining 122,310 restricted common shares vest in May 2023. The fair value of each share was $5.09, based on the closing price of the Company's common shares on the grant date.

On June 7, 2021, the Company's Board of Directors adopted the 2021 Equity Incentive Plan (the "2021 Plan") and reserved for issuance 515,000 common shares thereunder. On the same date, the Company granted all of the 515,000 restricted common shares to certain directors, officers and employees, of which 401,750 restricted common shares vested in September 2021, 56,625 restricted common shares vest in June 2022 and the remaining 56,625 restricted common shares vest in June 2024. The fair value of each restricted share was $18.88, based on the latest closing price of the Company's common shares on the grant date.

10. Equity Incentive Plans - (continued):

Pursuant to the aforementioned equity incentive plans, during the years ended December 31, 2019, 2020 and 2021 the Company issued 883,700 common shares, 1,073,490 common shares and 521,310 common shares, respectively.

All non-vested shares and options, if any, vest according to the terms and conditions of the applicable award agreements. The grantee does not have the right to vote the non-vested shares or exercise any right as a shareholder of the non-vested shares, although the issued and non-vested shares pay dividends as declared. The dividends with respect to these shares are forfeitable if the service conditions are not fulfilled. Share options have no voting or other shareholder rights. For the years ended December 31, 2019, 2020 and 2021 the Company paid $14, $14 and $875 for dividends to non-vested shares.

The shares which are issued in accordance with the terms of the Company's equity incentive plans or awards remain restricted until they vest. For the years ended December 31, 2019, 2020 and 2021, the share based compensation cost (including the RSUs) was $7,943, $4,624 and $10,335 respectively, and is included under "General and administrative expenses" in the consolidated statements of operations. There were no forfeitures of non-vested shares or options during the years 2019, 2020 and 2021.

A summary of the status of the Company's non-vested restricted shares as of December 31, 2019, 2020 and 2021, and the movement during these years, is presented below:

	Number of shares		Weighted Average Grant Date Fair Value
Unvested as at January 1, 2019	143,000	$	12.49
Granted	885,000		8.13
Vested	(756,962)		8.54
Unvested as at December 31, 2019	**271,038**	**$**	**9.28**
Unvested as at January 1, 2020	271,038	$	9.28
Granted	1,100,000		5.09
Vested	(955,149)		5.41
Unvested as at December 31, 2020	**415,889**	**$**	**7.09**
Unvested as at January 1, 2021	415,889	$	7.09
Granted	515,000		18.88
Vested	(595,560)		15.28
Unvested as at December 31, 2021	**335,329**	**$**	**10.65**

On April 13, 2015, the Board of Directors granted share purchase options of up to 104,250 common shares to certain executive officers, at an option exercise price of $27.50 per share. These options are exercisable in whole or in part between the third and the fifth anniversary of the grant date, subject to the respective individuals remaining employed by the Company at the time the options are exercised. The options expired in April 2020 without being exercised.

A summary of the status and movement of the Company's non-vested share options as of the year ended December 31, 2019 and the period from January 1, 2020 until April 13, 2020 when these options expired is presented below.

Options	Number of options		Weighted average exercise price		Weighted Average Grant Date Fair Value
Outstanding at beginning of period	104,250	$	27.5	$	7.0605
Granted	-		-		-
Vested	-		-		-
Outstanding at end of period	**104,250**	**$**	**27.5**	**$**	**7.0605**

As of December 31, 2021, the estimated compensation cost relating to non-vested restricted share awards not yet recognized was $1,777, and is expected to be recognized over the weighted average period of 1.59 years. The total fair value of shares vested during the years ended December 31, 2019, 2020 and 2021 was $7,703, $6,681 and $13,104, respectively.

11. Earnings / (Loss) per share:

All common shares issued (including the restricted shares issued under the Company's equity incentive plans) have equal rights to vote and participate in dividends. The restricted shares issued under the Company's equity incentive plans are subject to forfeiture provisions set forth in the applicable award agreement. The calculation of basic earnings per share does not consider the non-vested shares as outstanding until the time-based vesting restriction has lapsed. For the purpose of calculating diluted earnings / (loss) per share, the weighted average number of diluted shares outstanding includes the incremental shares assumed issued, determined in accordance with the treasury stock method. For the year ended December 31, 2019, during which the Company incurred losses, the effect of i) 271,038 non-vested shares and ii) 104,250 non-vested share options , would be anti-dilutive. Hence for the year ended December 31, 2019 "Basic loss per share" equals "Diluted loss per share." For the years ended December 31, 2020 and 2021 the denominator of the diluted earnings per share calculation includes 153,216 common shares and 295,243 common shares, respectively, being the number of incremental shares assumed issued under the treasury stock method.

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11. Earnings / (Loss) per share - (continued):

The Company calculates basic and diluted loss per share as follows:

	Years ended December 31,		
	2019	**2020**	**2021**
Income / (Loss) :			
Net income / (loss)	$ (16,201)	$ 9,660	$ 680,530
Basic earnings / (loss) per share:			
Weighted average common shares outstanding, basic	93,735,549	96,128,173	101,183,829
Basic earnings / (loss) per share	**$ (0.17)**	**$ 0.10**	**$ 6.73**
Effect of dilutive securities:			
Dillutive effect of non vested shares	–	153,216	295,243
Weighted average common shares outstanding, diluted	93,735,549	96,281,389	101,479,072
Diluted earnings / (loss) per share	**$ (0.17)**	**$ 0.10**	**$ 6.71**

12. Accrued liabilities:

The amounts shown in the consolidated balance sheets are analyzed as follows:

	December 31, 2020	**December 31, 2021**
Audit fees	$ 341	$ 400
Legal fees	137	122
Other professional fees	2,300	1,739
Vessel Operating and voyage expenses	12,481	24,406
Loan and interest rate swaps interest and financing fees	5,547	4,083
Income tax	134	60
Total Accrued Liabilities	**$ 20,940**	**$ 30,810**

13. Income taxes:

The Company is in the business of international shipping and is not subject to a material amount of income taxes. The Company is subjected to tonnage taxes in certain jurisdictions as described below and includes these taxes under "Vessel Operating Expenses" in the consolidated statements of operations.

The Company does receive dividends from its operating subsidiaries and these are not subject to withholding taxes nor are these dividends taxed at the Company upon receipt. Thus, the Company does not record deferred tax liabilities for any unremitted earnings as there are no taxes associated with the remittances.

The Company is subjected to tax audits in the jurisdictions it operates in. There have been no adjustments assessed to the Company in the past and the Company believes there are no uncertain tax positions to consider.

a) Taxation on Marshall Islands Registered Companies and tonnage tax

Under the laws of the countries of the shipowning companies' incorporation and/or vessels' registration, the shipowning companies are not subject to tax on international shipping income. However, they are subject to registration and tonnage taxes. In addition, each foreign flagged vessel managed in Greece by Greek or foreign ship management companies is subject to Greek tonnage tax, under the laws of the Hellenic Republic. The technical managers of the Company's vessels, which are established in Greece under Greek Law 89/67, are responsible for the filing and payment of the respective tonnage tax on behalf of the Company. Furthermore, under the New Tonnage Tax System ("TTS") for Cypriot merchant shipping, qualifying ship managers who opted and are accepted to be taxed under the TTS are subject to an annual tax referred to as tonnage tax, which is calculated on the basis of the net tonnage of the qualifying ships they manage. The technical managers of the Company's vessels, which are established and operate in Cyprus, are responsible for the filing and payment of the respective tonnage tax. These taxes for 2019, 2020 and 2021 were $2,087, $2,103 and $2,634, respectively, and have been included under "Vessel operating expenses" in the consolidated statements of operations (Note 16).

b) Taxation on US Source Income - Shipping Income

Under the United States Internal Revenue Code of 1986, as amended (the "Code"), the U.S. source gross transportation income of a ship-owning or chartering corporation, such as the Company, is subject to a 4% U.S. federal income tax without allowance for deduction, unless that corporation qualifies for exemption from tax under Section 883 of the Code and the Treasury Regulations promulgated thereunder. U.S. source gross transportation income consists of 50% of the gross shipping income that is attributable to transportation that begins or ends, but that does not both begin and end, in the United States.

Under IRS regulations, a Company's shares will be considered to be regularly traded on an established securities market if (i) one or more classes of its shares representing 50% or more of its outstanding shares, by voting power of all classes of shares of the corporation entitled to vote and of the total value of the shares of the corporation, are listed on the market and (ii) (A) such class of share is 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 (B) the aggregate number of shares of such class of share traded on such market during the taxable year must be at least 10% of the average number of shares of such class of share outstanding during such year or as appropriately adjusted in the case of a short taxable year. Notwithstanding the foregoing, the treasury regulations provide, in pertinent part, that a class of the Company's 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 the Company's outstanding shares, ("5% Override Rule").

For the taxable years 2019, 2020 and 2021 the Company believes that it was exempt from U.S. federal income tax of 4% on U.S. source shipping income, as it believes that it satisfies the Publicly Traded Test for these years because it is not subject to the 5% Override Rule.

13. Income taxes – (continued):

c) Other Taxation

In addition to the tax consequences described above, the Company may be subject to tax in one or more other jurisdictions, including Malta, Germany and Singapore, where the Company conducts activities through certain of its subsidiaries. The Company believes that its tax exposure for years ended December 31, 2019, 2020 and 2021 in the above jurisdictions is immaterial. The amount of income taxes recognized with respect to these jurisdictions for the years ended December 31, 2019, 2020 and 2021 was $109, $152 and $16, respectively, and is included under "Income taxes" in the consolidated statements of operations.

14. Commitments and Contingencies:

a) Legal proceedings

Various claims, suits, and complaints, including those involving government regulations and product liability, arise in the ordinary course of the shipping business. In addition, losses may arise from disputes with charterers, agents, insurance and other claims with suppliers relating to the operations of the Company's vessels. The Company's vessels are covered for pollution of $1 billion per vessel per incident, by the Protection and Indemnity (P&I) Association in which the Company's vessels are entered. The Company's vessels are subject to calls payable to their P&I Association and may be subject to supplemental calls which are based on estimates of premium income and anticipated and paid claims. Such estimates are adjusted each year by the Board of Directors of the P&I Association until the closing of the relevant policy year, which generally occurs within three years from the end of the policy year. Supplemental calls, if any, are expensed when they are announced and according to the period they relate to. The Company is not aware of any supplemental calls in respect of any policy years other than those that have already been recorded in its consolidated financial statements.

b) Other contingencies:

Contingencies relating to Heron

On July 11, 2014, Oceanbulk Shipping became a wholly owned subsidiary of the Company. Oceanbulk Shipping owned a convertible loan, which was convertible into 50% of Heron Ventures Ltd's ("Heron") equity. After the conversion of the loan, on November 5, 2014, Heron was a 50-50 joint venture between Oceanbulk Shipping and ABY Group Holding Limited, and Oceanbulk Shipping shared joint control over Heron with ABY Group Holding Limited. Based on the applicable related agreements, neither party will entirely control Heron. In addition, any operational and other decisions with respect to Heron will need to be jointly agreed between Oceanbulk Shipping and ABY Group Holding Limited. As of December 31, 2017, all vessels previously owned by Heron have been either sold or distributed to its equity holders. While Oceanbulk Shipping and ABY Group Holding Limited intend that Heron eventually will be dissolved shortly after receiving permission from local authorities in Malta, until that occurs, contingencies to the Company may arise. However, the pre-transaction investors in Heron effectively remain as ultimate beneficial owners of Heron, until Heron is dissolved on the basis that, according to the agreement governing the Merger, any cash received or paid by the Company from the final liquidation of Heron will be settled accordingly by the pre-Merger investors in Oceanbulk (the "Oceanbulk Sellers"). The Company had no outstanding balance with the Oceanbulk Sellers as of December 31, 2017 and thereafter. In July 2018, ABY Group Holding Limited transferred to ABY Floriana Limited its interests to Heron. The Company concluded that there should not be significant financial impact and therefore no provision has been made.

14. Commitments and Contingencies - (continued):

c) Commitments:

The following table sets forth inflows and outflows, related to the Company's charter party arrangements and other commitments, as of December 31, 2021.

Charter party agreements

	Twelve month periods ending December 31,						
+ inflows/ - outflows	**Total**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027 and thereafter**
Future, minimum, non-cancellable charter revenue (1)	$ 109,959	$ 109,959	$ -	$ -	$ -	$ -	$ -
Total	**$ 109,959**	**$ 109,959**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

(1) The amounts represent the minimum contractual charter revenues to be generated from the existing, as of December 31, 2021, non-cancellable time charter agreements, until their expiration, net of address commission, assuming no off-hire days, other than those related to scheduled interim and special surveys of the vessels.

Other commitments:

	Twelve month periods ending December 31,						
+ inflows/ - outflows	**Total**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027 and thereafter**
Vessel BWTS (1)	(21,836)	(19,182)	(2,524)	(130)	-	-	-
Total	**$ (21,836)**	**$ (19,182)**	**$ (2,524)**	**$ (130)**	**$ -**	**$ -**	**$ -**

(1) The amounts represent the Company's commitments as of December 31, 2021, for installation of Ballast Water Treatment System ("BWTS") on its vessels so as to comply with environmental regulations.

15. Voyage revenues:

The following table shows the voyage revenues earned from time charters, voyage charters and pool agreements for the years ended December 31, 2019, 2020 and 2021, as presented in the consolidated statements of operation:

	Years ended December 31,		
	2019	**2020**	**2021**
Time charters	$ 373,927	$ 309,503	$ 745,442
Voyage charters	437,779	385,482	683,146
Pool revenues	9,659	(1,744)	(1,165)
	$ 821,365	**$ 693,241**	**$ 1,427,423**

As of December 31, 2021, trade accounts receivable (excluding the provision for doubtful debt) increased by $43,227, and deferred revenue increased by $13,285 compared to December 31, 2020. These changes were primarily attributable to the significant improved market rates prevailing during the year 2021 and as of December 31, 2021 compared to the same period in 2020 and also the timing of collections.

15. Voyage revenues - (continued):

Further, as of December 31, 2021, capitalized contract fulfilment costs which are recorded under “Other current assets” increased by $2,736 compared to December 31, 2020, from $2,187 to $4,923. This change was mainly attributable to the timing of commencement of revenue recognition. . Under ASC 606, unearned voyage charter revenue represents the consideration received for undelivered performance obligations. The Company recorded $11,675 as unearned revenue related to voyages in progress as of December 31, 2020, which was recognized in earnings during the year ended December 31, 2021 as the performance obligations were satisfied in that period. In addition, the Company recorded $24,960 as unearned revenue related to voyages in progress as of December 31, 2021, which will be recognized in earnings during the year ending December 31, 2022 as the performance obligations were satisfied in that period.

The adjustment to Company’s revenues from the vessels operating in the CCL Pool (Note 3), deriving from the allocated pool result for those vessels as determined in accordance with the agreed-upon formula, for the years ended December 31, 2019, 2020 and 2021 was $9,524, ($3,695) and ($4,188), respectively, while the corresponding adjustment to Company’s revenues from the Short Pool (Note 3) for the years ended December 31, 2020 and 2021 was $1,923 and ($328). All the amounts are included within “Pool Revenues” in the table above. The remaining amount of $3,351 refers to other participation adjustments deriving from profit sharing from participation in charter-in agreement with other parties.

As discussed in Note 1, during 2019, 2020 and 2021 the Company chartered-in a number of third-party vessels, to increase its operating capacity in order to satisfy its clients’ needs. Revenues generated from those charter-in vessels during the years ended December 31, 2019, 2020 and 2021 amounted to $185,311, $36,234 and $20,215, respectively and are included in Voyage revenues in the consolidated statements of operations, out of which $15,253, $243 and $1,212, respectively, constitute sublease income deriving from time charter agreements.

16. Voyage and Vessel operating expenses:

The amounts in the consolidated statements of operations are analyzed as follows:

	Years ended December 31,		
	2019	**2020**	**2021**
Voyage expenses			
Port charges	$ 63,576	$ 55,738	$ 63,027
Bunkers	146,089	130,800	139,252
Commissions – third parties	6,828	6,134	13,955
Commissions – related parties (Note 3)	3,850	3,780	3,870
Miscellaneous	2,619	3,606	6,007
Total voyage expenses	**$ 222,962**	**$ 200,058**	**$ 226,111**
Vessel operating expenses			
Crew wages and related costs	$ 103,701	$ 109,311	$ 126,180
Insurances	10,311	13,002	14,981
Maintenance, repairs, spares and stores	25,675	37,947	44,646
Lubricants	9,833	10,669	11,823
Tonnage taxes (Note 13)	2,087	2,103	2,634
Pre-delivery and Pre-joining expenses	1,507	–	3,104
Miscellaneous	6,948	5,511	5,293
Total vessel operating expenses	**$ 160,062**	**$ 178,543**	**$ 208,661**

17. Fair Value Measurements and Hedging:

The guidance for fair value measurements applies to all assets and liabilities that are being measured and reported on a fair value basis. This guidance enables the reader of the financial statements to assess the inputs used to develop those measurements by establishing a hierarchy for ranking the quality and reliability of the information used to determine fair values. The same guidance requires that assets and liabilities carried at fair value should be classified and disclosed in one of the following three categories based on the inputs used to determine its fair value:

Level 1: Quoted market prices in active markets for identical assets or liabilities;

Level 2: Observable market based inputs or unobservable inputs that are corroborated by market data;

Level 3: Unobservable inputs that are not corroborated by market data.

In addition, ASC 815, "Derivatives and Hedging" requires companies to recognize all derivative instruments as either assets or liabilities at fair value in the balance sheet.

Fair value on a recurring basis:

Interest rate swaps:

The Company from time to time enters into interest rate derivative contracts to manage interest costs and risk associated with changing interest rates with respect to its variable interest loans and credit facilities.

As of December 2019, the Company had no interest rate swaps open positions.

During the year ended December 31, 2020, the Company entered into various interest rate swaps with ING, DNB Bank ASA ("DNB"), SEB, Citibank Europe PLC ("Citi"), Piraeus Bank and Alpha Bank to convert a portion of its debt from floating to fixed rate. In addition, during the year ended December 31, 2021, the Company early terminated certain of those interest rate swaps that were in effect as of December 31, 2020 and entered into a new interest rate swap agreement with the National Bank of Greece ("NBG"), SEB and ABN AMRO Bank. The following table summarizes the interest rate swaps in place as of December 31, 2021.

Counterparty	Trading Date	Inception	Expiry	Fixed Rate	Initial Notional	Current Notional
ING	March 10, 2020	March 29, 2020	March 29, 2026	0.7000%	$ 29,960	$ 26,215
ING	March 10, 2020	April 2, 2020	October 2, 2025	0.7000%	$ 39,375	$ 33,750
ING	March 18, 2020	April 3, 2020	April 3, 2023	0.6750%	$ 16,157	$ 14,293
SEB	March 6, 2020	April 30, 2020	January 30, 2025	0.7270%	$ 58,885	$ 51,072
Citi	June 11, 2020	July 30, 2020	October 18, 2023	0.3300%	$ 104,450	$ 86,200
Citi	June 11, 2020	August 10, 2020	May 10, 2024	0.3510%	$ 56,075	$ 49,587
Citi	June 11, 2020	June 22, 2020	December 20, 2023	0.3380%	$ 94,538	$ 74,557
Citi	June 11, 2020	June 29, 2020	August 28, 2023	0.3280%	$ 56,915	$ 44,075
Citi	June 11, 2020	July 21, 2020	July 21, 2023	0.3250%	$ 99,816	$ 88,725
Citi	June 11, 2020	August 28, 2020	May 28, 2024	0.3520%	$ 31,350	$ 27,700
Citi	June 11, 2020	September 1, 2020	March 1, 2024	0.3430%	$ 33,390	$ 30,298
ING July 20	July 8, 2020	July 6, 2020	July 6, 2026	0.3700%	$ 70,000	$ 55,417
SEB	February 12, 2021	April 26, 2021	January 26, 2026	0.4525%	$ 37,050	$ 33,150
ABN	February 24, 2021	March 20, 2021	December 20, 2023	0.3120%	$ 84,548	$ 74,557
NBG	June 29, 2021	June 28, 2021	June 28, 2023	0.6500%	$ 125,000	$ 117,500

17. Fair Value Measurements and Hedging - (continued):

The above interest rate swaps were designated and qualified as cash flow hedges. The effective portion of the unrealized gains/losses from those swaps is recorded in Other Comprehensive Income / (Loss). No portion of the cash flow hedges was ineffective during the years ended December 31, 2020 and 2021.

A loss of approximately $654 in connection with the interest rate swaps is expected to be reclassified into earnings during the following 12-month period when realized.

Forward Freight Agreements ("FFAs") and Bunker Swaps:

During the years ended December 31, 2019, 2020 and 2021, the Company entered into a certain number of FFAs and options for FFAs on the Capesize, Panamax and Supramax indices. The results of the Company's FFAs during the years ended December 31, 2019, 2020 and 2021 and the valuation of the Company's open position as at December 31, 2020 and 2021 are presented in the tables below.

During the years ended December 31, 2019, 2020 and 2021, the Company entered into a certain number of bunker swaps. The results of the Company's bunker swaps during the years ended December 31, 2019, 2020 and 2021 and the valuation of the Company's open position as at December 31, 2020 and 2021 are presented in the tables below.

The amount of Gain/(loss) on forward freight agreements and bunker swaps, net and on interest rate swaps recognized in the consolidated statements of operations are analyzed as follows:

	Years ended December 31,		
	2019	**2020**	**2021**
Consolidated Statement of Operations			
Interest and finance costs			
Reclassification adjustments of interest rate swap loss/(gain) transferred to Interest and finance costs from Other comprehensive income/(loss) (Note 7)	–	(848)	(2,351)
Total Gain/(loss) recognized	**$ –**	**$ (848)**	**$ (2,351)**
Gain/(loss) on forward freight agreements and bunker swaps, net			
Realized gain/(loss) on forward freight agreements and freight options	6,043	(5,995)	1,308
Realized gain/(loss) on bunker swaps	(1,386)	20,856	748
Unrealized gain/(loss) on forward freight agreements and freight options	(321)	(430)	1,802
Unrealized gain/(loss) on bunker swaps	75	1,725	(294)
Total Gain/(loss) recognized	**$ 4,411**	**$ 16,156**	**$ 3,564**

17. Fair Value Measurements and Hedging - (continued):

The following table summarizes the valuation of the Company's derivative financial instruments as of December 31, 2020 and 2021, based on Level 1 quoted market prices in active markets.

	Balance Sheet Location	Quoted Prices in Active Markets for Identical Assets (Level 1)			
		December 31, 2020		December 31, 2021	
		(not designated as cash flow hedges)	(designated as cash flow hedges)	(not designated as cash flow hedges)	(designated as cash flow hedges)
ASSETS					
Bunker swaps - current	Derivatives, current asset portion	$ -	-	$ 7	-
Freight derivatives - current	Derivatives, current asset portion	$ -	-	$ 1,440	-
Freight derivatives - non-current	Derivatives, non-current asset portion	$ -	-	$ 150	-
Total		**$ -**	**-**	**$ 1,597**	**-**
LIABILITIES					
Bunker swaps - current	Derivatives, current liability portion	$ -	-	$ 300	-
Freight derivatives - current	Derivatives, current liability portion	$ 212	-	$ -	-
Total		**$ 212**	**-**	**$ 300**	**-**

Certain of the Company's derivative financial instruments discussed above require the Company to periodically post additional collateral depending on the level of any open position under such financial instruments, which as of December 31, 2020 and 2021 amounted to $895 and $10,128, respectively, and are included within "Restricted cash, current" in the consolidated balance sheets.

The carrying values of temporary cash investments, restricted cash, accounts receivable and accounts payable approximate their fair value due to the short-term nature of these financial instruments. The fair value of long-term bank loans and bareboat leases (Level 2), bearing interest at variable interest rates, approximates their recorded values as of December 31, 2021, due to the variable interest rate nature thereof. The fair value of the DSF $55,000 Facility, measured through level 2 inputs (such as interest rate curves) is $49,008, which is $354 higher than the loan's book value of $48,654.

The following table summarizes the valuation of the Company's financial instruments as of December 31, 2020 and 2021, based on Level 2 observable market based inputs or unobservable inputs that are corroborated by market data.

	Balance Sheet Location	Significant Other Observable Inputs (Level 2)			
		December 31, 2020		December 31, 2021	
		(not designated as cash flow hedges)	(designated as cash flow hedges)	(not designated as cash flow hedges)	(designated as cash flow hedges)
ASSETS					
Interest rate swaps - current	Derivatives, current asset portion	$ -	–	$ -	549
Interest rate swaps - non-current	Derivatives, non-current asset portion	$ -	–	$ -	6,763
Total		**$ -**	**–**	**$ -**	**7,312**
LIABILITIES					
Interest rate swaps - current	Derivatives, current liability portion	$ -	1,727	$ -	443
Interest rate swaps - non-current	Derivatives, non-current liability portion	$ -	2,265	$ -	–
Total		**$ -**	**3,992**	**$ -**	**443**

17. Fair Value Measurements and Hedging - (continued):

Fair value on a nonrecurring basis

The Company reviewed, in 2019, 2020 and 2021 the recoverability of the carrying amount of its vessels.

During 2019, the Company recognized impairment loss of $3,411 related to the agreed and intended sale of two vessels (Note 5). The carrying value of the respective vessels was written down to the fair value as determined by reference to their agreed or negotiated sale prices (Level 2).

The table following table summarizes the valuation of these assets measured at fair value on a non-recurring basis as of December 31, 2019:

Long-lived assets held and used	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Impairment loss
Vessels, net	$ -	$ 24,475	$ -	$ 3,411
TOTAL	**$ -**	**$ 24,475**	**$ -**	**$ 3,411**

The Company's impairment analysis as of December 31, 2020 and 2021, indicated that the carrying amount of the Company's vessels, was recoverable, and therefore, the Company concluded that no impairment charge was necessary.

18. Subsequent Events:

(a) On February 16, 2022, pursuant to the Company's dividend policy, the Company's Board of Directors declared a quarterly cash dividend of $2.00 per share payable on or about March 15, 2022 to all shareholders of record as of March 2, 2022. The ex-dividend date is expected to be March 1, 2022.

(b) The Company's vessels Star Pavlina, Star Helena and Star Laura are currently berthed in three different ports of Ukraine, evacuated from crew who have safely exited Ukraine. All three vessels, under charterers' instructions, had arrived to load various grain cargos, well ahead of the commencement of the war activities, but at the time of the invasion, the loading operations were suspended by the port authorities. The Company had been intensively exploring options with the charterers to navigate the vessels safely out of the ports but unfortunately the ports were shut down and safe passages were impossible. The Company has deployed security personnel to board the vessels for protection until such time that other crew may board again and have the vessels sail away to safer seas. An estimate of any potential impact cannot be made at this point of time, however the Company does not expect that, if any, to be material, given the fact that in addition to standard industry vessel risk insurance, war risk insurance is in place for all three vessels and war risk insurers have confirmed that they hold the vessels covered at their current position in Ukraine which includes Hull and Machinery and Increased Value insurance and War loss of Hire for 180 days. Furthermore, the Company believes that the vessels remain on hire and hire continues payable under the relevant charter party clauses.