

TOP SHIPS INC.  
Form 424B5  
May 25, 2018  
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Registration No. 333-215577

PROSPECTUS SUPPLEMENT  
(To Prospectus dated February 1, 2017)

\$14,250,000  
Common Shares

TOP SHIPS INC.

This prospectus supplement relates to the issuance and sale of our common shares, par value \$0.01 per share, having an aggregate offering price of up to \$14,250,000, from time to time solely through Maxim Group LLC, as exclusive sales agent (who we refer to herein as Maxim or the sales agent). Each common share sold in this offering includes a preferred stock purchase right that trades with the common share (which are also registered pursuant to this prospectus supplement). Any sales under this prospectus supplement will be made under an "at-the-market" offering program under the terms of an equity distribution agreement between us and Maxim, dated May 25, 2018, pursuant to which we may sell up to \$14,250,000 of common shares (subject to limitations as set forth on Form F-3) with Maxim acting as our exclusive sales agent. See "Plan of Distribution."

Our common shares are traded on the Nasdaq Capital Market under the symbol "TOPS." On May 23, 2018, the last reported sale price of our common shares on the Nasdaq Capital Market was \$1.54 per share. As of the date hereof, we have not sold any securities pursuant to General Instruction I.B.5 of Form F-3 during the twelve calendar month period that ends on and includes the date of this prospectus supplement. The aggregate market value of our common shares held by non-affiliates pursuant to General Instruction I.B.5 of Form F-3 is \$42,773,475, which was calculated based on 16,973,601 of our common shares outstanding and held by non-affiliates as of the date of this prospectus supplement and a price of \$2.52 per share, the closing price of our common shares on March 27, 2018. As a result, we are currently eligible to offer and sell up to an aggregate of \$14,257,825 of our common shares pursuant to General Instruction I.B.5 of Form F-3. Should we be eligible and desire to offer additional common shares pursuant to the equity distribution agreement with Maxim, we will file an additional prospectus supplement to register the additional common shares and associated preferred stock purchase rights.

Sales of common shares and associated preferred stock purchase rights, if any, sold under this prospectus supplement and the accompanying prospectus, may be made by means of ordinary brokers' transactions on the Nasdaq Capital Market, in negotiated transactions or transactions that are deemed to be "at the market" offerings as defined in Rule 415 under the Securities Act of 1933, as amended, including sales made to or through a market maker other than on an exchange, at prices related to the prevailing market prices or at negotiated prices.

Investing in our common shares involves a high degree of risk and uncertainty. See "Risk Factors" beginning on page S-5 of this prospectus supplement, and in the accompanying prospectus and the documents we have filed with the Securities and Exchange Commission that are incorporated by reference herein for more information, before you make any investment in our common shares.

None of the Securities and Exchange Commission, any state securities commission, or any other regulatory body has approved or disapproved of these securities or passed on the adequacy or accuracy of this prospectus supplement or the accompanying prospectus. Any representation to the contrary is a criminal offense.

The compensation to the sales agent for sales of common shares will be 2% of the gross sales price of all common shares sold through the sales agent from time to time under the equity distribution agreement. Subject to the terms and conditions of the equity distribution agreement, Maxim will use its commercially reasonable efforts to sell on our behalf any common shares to be offered by us under the equity distribution agreement. The net proceeds from any sales under this prospectus supplement will be used as described under "Use of Proceeds" in this prospectus

supplement.

Maxim Group LLC

The date of this prospectus supplement is May 25, 2018.

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TABLE OF CONTENTS

PROSPECTUS SUPPLEMENT

Page

ABOUT THIS PROSPECTUS SUPPLEMENT	S-i
CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS	S-ii
PROSPECTUS SUPPLEMENT SUMMARY	S-1
THE OFFERING	S-4
RISK FACTORS	S-5
USE OF PROCEEDS	S-9
CAPITALIZATION	S-10
PRICE RANGE OF OUR COMMON SHARES	S-11
BENEFICIAL OWNERSHIP OF OUR COMMON SHARES	S-12
DESCRIPTION OF CAPITAL STOCK	S-13
TAX CONSIDERATIONS	S-21
PLAN OF DISTRIBUTION	S-22
EXPENSES	S-23
LEGAL MATTERS	S-23
EXPERTS	S-23
WHERE YOU CAN FIND ADDITIONAL INFORMATION	S-23

BASE PROSPECTUS

Page

SUMMARY	1
RISK FACTORS	4
CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS	5
RATIO OF EARNINGS TO FIXED CHARGES	6
USE OF PROCEEDS	7
CAPITALIZATION	8
PRICE RANGE OF COMMON SHARES	9
PLAN OF DISTRIBUTION	10
SELLING SECURITYHOLDER	12
DESCRIPTION OF CAPITAL STOCK	13
DESCRIPTION OF DEBT SECURITIES	23
DESCRIPTION OF WARRANTS	29
DESCRIPTION OF PURCHASE CONTRACTS	30
DESCRIPTION OF RIGHTS	31

DESCRIPTION OF UNITS	32
ENFORCEABILITY OF CIVIL LIABILITIES	33
EXPENSES	34
LEGAL MATTERS	34
EXPERTS	34
WHERE YOU CAN FIND ADDITIONAL INFORMATION	34
GOVERNMENT FILINGS	34

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## ABOUT THIS PROSPECTUS SUPPLEMENT

This prospectus supplement and the accompanying prospectus are part of a registration statement that we filed with the U.S. Securities and Exchange Commission, or the Commission, utilizing a "shelf" registration process.

This document is in two parts. The first part is this prospectus supplement, which describes the specific terms of the "at-the-market" offering program described herein and the securities offered hereby, and also adds to and updates information contained in the accompanying base prospectus and the documents incorporated by reference into this prospectus supplement and the base prospectus.

The second part, the base prospectus, gives more general information about securities we may offer from time to time, some of which does not apply to this offering. Generally, when we refer only to the prospectus, we are referring to both parts combined, and when we refer to the accompanying prospectus, we are referring to the base prospectus.

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

We have authorized only the information contained or incorporated by reference in this prospectus supplement, the accompanying prospectus, and any free writing prospectus prepared by or on behalf of us or to which we have referred you. We have not, and the sales agent has not, authorized anyone to provide you with information that is different.

We and the sales agent take no responsibility for, and can provide no assurance as to the reliability of, any information that others may give you. If anyone provides you with different or inconsistent information, you should not rely on it.

We are offering to sell our common shares only in jurisdictions where offers and sales are permitted. The information contained in or incorporated by reference in the prospectus is accurate only as of the date such information was issued, regardless of the time of delivery of the prospectus or the date of any sale of our common shares.

Unless otherwise indicated, all references to "dollars" and "\$" in this prospectus supplement are to, and amounts presented in, United States dollars and financial information presented in this prospectus supplement that is derived from financial statements incorporated by reference is prepared in accordance with accounting principles generally accepted in the United States.

S-i

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#### CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This prospectus supplement and the documents incorporated by reference herein contain certain forward-looking statements made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. 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. The words "anticipate," "believe," "expect," "intend," "estimate," "forecast," "project," "plan," "potential," "may," "should," and similar expressions identify forward-looking statements.

The forward-looking statements in this prospectus supplement and the documents incorporated by reference herein are based upon various assumptions, many of which are based, in turn, upon further assumptions, including without limitation, management's examination of historical operating trends, data contained in our records and other data available from third parties. Although we believe that these assumptions were reasonable when made, because these assumptions are inherently subject to significant uncertainties and contingencies that are difficult or impossible to predict and are beyond our control, we cannot assure you that we will achieve or accomplish these expectations, beliefs or projections.

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

- our ability to maintain or develop new and existing customer relationships with major refined product importers and exporters, major crude oil companies and major commodity traders, including our ability to enter into long-term charters for our vessels;
- our future operating and financial results;
- oil and chemical tanker industry trends, including charter rates and vessel values and factors affecting vessel supply and demand;
- our ability to take delivery of, integrate into our fleet, and employ any newbuildings we may order in the future and the ability of shipyards to deliver vessels on a timely basis;
- the aging of our vessels and resultant increases in operation and dry-docking costs;
- the ability of our vessels to pass classification inspections and vetting inspections by oil majors and big chemical corporations;
- significant changes in vessel performance, including increased vessel breakdowns;
- the creditworthiness of our charterers and the ability of our contract counterparties to fulfill their obligations to us;
- our ability to repay outstanding indebtedness, to obtain additional financing and to obtain replacement charters for our vessels, in each case, at commercially acceptable rates or at all;
- changes to governmental rules and regulations or actions taken by regulatory authorities and the expected costs thereof;
- potential liability from litigation and our vessel operations, including discharge of pollutants;
- changes in general economic and business conditions;

S-ii

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- general domestic and international political conditions, potential disruption of shipping routes due to accidents, political events or acts by terrorists;
- changes in production of or demand for oil and petroleum products and chemicals, either globally or in particular regions;
- the strength of world economies and currencies, including fluctuations in charter hire rates and vessel values; and
- other important factors described from time to time in the reports filed by us with the Commission.

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 prospectus supplement might not occur.

See the section entitled "Risk Factors," beginning on page S-5 of this prospectus supplement, on page 4 of the accompanying prospectus and in our Annual Report on Form 20-F for the fiscal year ended December 31, 2017, filed with the Commission on March 29, 2018 and incorporated by reference herein, for a more complete discussion of these risks and uncertainties and for other risks and uncertainties. These factors and the other risk factors described in this prospectus supplement, the accompanying prospectus and the documents incorporated into each by reference 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.

## PROSPECTUS SUPPLEMENT SUMMARY

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

Unless the context otherwise requires, as used in this prospectus supplement, the terms "Company," "we," "us," and "our" refer to TOP SHIPS INC. and all of its subsidiaries. We use the term deadweight ton, or dwt, in describing the size of vessels. Dwt, expressed in metric tons each of which is equivalent to 1,000 kilograms, refers to the maximum weight of cargo and supplies that a vessel can carry. Our reporting currency is in the U.S. dollar and all references in this prospectus supplement to "\$" or "dollars" are to U.S. dollars. Further, unless otherwise indicated, the information presented in this prospectus supplement gives effect to the following reverse stock splits of our issued and outstanding common shares: a one-for-ten reverse stock split effected on February 22, 2016, a one-for-twenty reverse stock split effected on May 11, 2017, a one-for-fifteen reverse stock split effected on June 23, 2017, a one-for-thirty reverse stock split effected on August 3, 2017, a one-for-two reverse stock split effected on October 6, 2017, and a one-for-ten reverse stock split effected on March 26, 2018.

## Our Company

We are an international owner and operator of seven modern, fuel efficient eco medium range, or MR, tanker vessels focusing on the transportation of crude oil, petroleum products (clean and dirty) and bulk liquid chemicals. As of March 31, 2018, our fleet in the water had an average age of 2.3 years with a total cargo carrying capacity of 327,482 dead weight tons (or "dwt"). As of the date of this prospectus supplement, our wholly-owned fleet consists of two chartered-in 49,737 dwt product/chemical tankers vessels, the M/T Stenaweco Energy and the M/T Stenaweco Evolution, two 39,208 dwt product/chemical tankers vessels, the M/T Eco Fleet and the M/T Eco Revolution, two 49,737 dwt product/chemical tankers, the M/T Stenaweco Excellence and M/T Nord Valiant, and one 50,118 dwt product/chemical tanker, the M/T Stenaweco Elegance.

## Our Fleet in the Water

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

Chartered-in fleet:

Name	Deadweight	Charterer	End of firm period	Charterer's Optional Periods	Gross Rate fixed period/options
M/T Stenaweco Energy	49,737	Stena Bulk A/S	February 2021	1+1 years	\$15,616 / \$17,350 / \$18,100
M/T Stenaweco Evolution	49,737	Stena Bulk A/S	October 2021	1+1 years	\$15,516 / \$17,200 / \$18,000

Operating fleet:

Name	Deadweight	Charterer	End of firm period	Charterer's Optional Periods	Gross Rate fixed period/ options
M/T Eco Fleet	39,208	BP Shipping Limited	January 2019	1+1 years	\$15,200 / \$16,000 / \$16,750
M/T Eco Revolution	39,208	BP Shipping Limited	January 2019	1+1 years	\$15,200 / \$16,000 / \$16,750
M/T Stenaweco Excellence	49,737	Stena Bulk A/S	November 2020	1+1 years	\$15,000 until June 2019 and \$16,200 after / \$17,200 / \$18,000
M/T Nord Valiant	49,737	DS Norden A/S	August 2021	1+1 years	\$16,800 / \$17,600 / \$18,400
M/T Stenaweco Elegance	50,118	Stena Bulk A/S	March 2021	1+1 years	\$15,000 until December 2018 and \$16,500 after / \$17,500 / \$18,500

Joint Venture fleet (50% owned):

Name	Deadweight	Charterer	End of firm period	Charterer's Optional Periods	Gross Rate fixed period/ options
M/T Eco Holmby Hills	49,703	Clearlake Shipping Pte Ltd	March 2021	1+1 years	\$14,100 1 <sup>st</sup> year, \$14,600 2 <sup>nd</sup> year and \$15,025 3 <sup>rd</sup> year / \$15,400 / \$16,400
M/T Eco Palm Springs	49,703	Clearlake Shipping Pte Ltd	May 2021	1+1 years	\$14,250 1 <sup>st</sup> year, \$14,750 2 <sup>nd</sup> year and \$15,175 3 <sup>rd</sup> year / \$15,550 / \$16,550

## Fleet Under Construction

In addition to our fleet that is in the water, and in line with our growth strategy, we have entered into agreements to acquire three product/chemical tankers vessels and two Suezmax Crude Oil Carriers with a combined dwt of 464,000. The following table presents our fleet list under construction as of the date of this prospectus supplement:

Name	Deadweight	Charterer	End of firm period	Charterer's Optional Periods	Gross Rate fixed period/ options	Expected Delivery date	Shipyard
M/T Eco Palm Desert	50,000	Central Tankers Chartering Inc	September 2021	1+1 years	\$14,750 / \$15,250 / \$15,750	September 2018	Hyundai Mipo Vinashin
M/T Eco California	50,000	Shell Tankers Singapore Private Limited	January 2021	1 year	\$13,750 / \$13,950 plus 50% profit share	January 2019	Hyundai Mipo S. Korea
Hull No 824	250,000	Central Tankers Chartering Inc	March 2020	1+1 years	\$16,000 / \$17,000 / \$18,000	March 2019	Hyundai Mipo S. Korea
Hull No 874	157,000	Central Tankers Chartering Inc	April 2020	1+1 years	\$25,000 / \$26,000 / \$27,000	April 2019	Hyundai Samho S. Korea
Hull No 875	157,000	Central Tankers Chartering Inc	May 2020	1+1 years	\$25,000 / \$26,000 / \$27,000	May 2019	Hyundai Samho S. Korea



We acquired from Lax Trust, an irrevocable trust established for the benefit of certain family members of Mr. Evangelos Pistiolis, our President, Chief Executive Officer and Director, or the Lax Trust, a 100% ownership interest in Astarte International Inc., a Marshall Islands corporation, or Astarte. Astarte is currently a party to a newbuilding contract for the construction of the M/T Eco Palm Desert, a 50,000 dwt newbuilding product/chemical tanker scheduled for delivery from Hyundai in September 2018. We have also acquired, through our wholly-owned subsidiaries, 50% ownership interests in Eco Nine Inc., a Marshall Islands corporation, or Eco Nine, and City of Athens Inc., a Marshall Islands corporation, or City of Athens, respectively. Both Eco Nine and City of Athens were at the time of their acquisition wholly-owned subsidiaries of the Lax Trust. Eco Nine is the owner of the M/T Eco Palm Springs, a 49,703 dwt product tanker delivered in May 2018. City of Athens is the owner of the M/T Eco Holmby Hills, a 49,703 dwt product/chemical tanker.

Furthermore, we acquired from an entity affiliated with our Chairman and Chief Executive Officer, Mr. Evangelos Pistiolis, a 100% ownership interest in PCH77 Shipping Company Limited, a Marshall Islands corporation, or PCH77. PCH77 is currently a party to a newbuilding contract for the construction of the M/T Eco California, a 50,000 dwt newbuilding product/chemical tanker under construction at Hyundai and scheduled for delivery in January 2019. Finally, in January 2018, we acquired from entities affiliated with our Chairman and Chief Executive Officer (i) 100% of the issued and outstanding shares of PCH Dreaming Inc., a Marshall Islands company that has entered into a newbuilding contract for Hull No 8242, a 50,000 dwt MR product/chemical tanker under construction at Hyundai Mipo Dockyard Co., Ltd. in South Korea and scheduled for delivery during March 2019, (ii) 100% of the issued and outstanding shares of South California Inc., a Marshall Islands company that has entered into a newbuilding contract for Hull No 874, a 157,000 dwt Suezmax Crude Oil Carrier under construction at Hyundai Samho Heavy Industries Co. Ltd. in South Korea and scheduled for delivery during April 2019, and (iii) 100% of the issued outstanding shares of Malibu Warrior Inc., a Marshall Islands company that has entered into a newbuilding contract for Hull No 875, a 157,000 dwt Suezmax Crude Oil Carrier under construction at Hyundai Samho Heavy Industries Co. Ltd. in South Korea and scheduled for delivery during May 2019.

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

#### Recent Developments

On April 11, 2018, we regained compliance with the minimum bid price requirement for the Nasdaq Capital Market, set forth in Nasdaq Listing Rule 5550(a)(2).

On May 23, 2018, we took delivery of our 50% owned product tanker, the M/T Eco Palm Springs, from the Hyundai shipyard.

#### Corporate Information

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

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

THE OFFERING

Issuer TOP Ships Inc., a Marshall Islands corporation

Common shares  
outstanding as of 16,973,617 common shares  
May 24, 2018

Common shares offered by us Common shares with an initial aggregate sale price of up to \$14,250,000. The common shares are being offered under the terms of an equity distribution agreement between us and Maxim, dated May 25, 2018, pursuant to which we may sell up to \$14,250,000 of common shares (subject to limitations as set forth on Form F-3) with Maxim acting as our exclusive sales agent. Should we be eligible and desire to offer additional common shares pursuant to the equity distribution agreement with Maxim, we will file an additional prospectus supplement to register such additional common shares and the associated preferred stock purchase rights.

Preferred share purchase rights Our common shares include preferred share purchase rights, as described in the section of this prospectus supplement entitled "Description of Capital Stock—Stockholders Rights Agreement."

Manner of offering Negotiated transactions or transactions deemed to be "at-the-market offerings" (including sales made to or through a market maker other than on an exchange) that may be made from time to time through Maxim, as sales agent, using commercially reasonable efforts. See "Plan of Distribution."

Use of proceeds We intend to use the net proceeds of this offering, after deducting the sale agent's commissions and our estimated offering expenses, to repay \$5.8 million of outstanding indebtedness under the Crede Notes (defined below), and the remainder, if any, for general corporate purposes, which may include capital expenditures for our newbuildings. See "Use of Proceeds."

Risk factors Investing in our common shares involves a high degree of risk and uncertainty. You should carefully consider all the information in this prospectus supplement, the accompanying prospectus and the documents incorporated into each by reference prior to investing in our common shares. In particular, we urge you to consider carefully the factors set forth in the section entitled "Risk Factors" beginning on page S-5 of this prospectus supplement, and in the accompanying prospectus and the documents we have filed with the Commission that are incorporated by reference herein for more information, before you make any investment in our common shares.

Listing Our common shares are traded on the Nasdaq Capital Market under the symbol "TOPS."

## RISK FACTORS

An investment in our common shares involves a high degree of risk and uncertainty. We have identified a number of risk factors which you should consider before investing in our common shares. You should consider carefully the risks set forth below, those risk factors set forth under the heading "Risk Factors" in our Annual Report on Form 20-F for the year ended December 31, 2017, filed with the Commission on March 29, 2018 and incorporated by reference in this prospectus supplement, and in any other documents we have incorporated by reference in this prospectus supplement, as well as those under the heading "Risk Factors" in the accompanying prospectus before investing in our common shares. The occurrence of one or more of these risk factors could adversely affect our results of operations or financial condition.

### Risks Related to Our Common Shares and this Offering

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

Our common shares currently trade on the Nasdaq Capital Market. We cannot assure you that an active and liquid public market for our common shares will continue and you may not be able to sell your common shares in the future at the price that you paid for them or at all. The price of our common shares may be volatile and may fluctuate due to factors such as:

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

Further, in order for our stock to continue to trade on Nasdaq, we must maintain compliance with Nasdaq's listing standards.

On October 10, 2017, we received written notification from Nasdaq indicating that because the closing bid price of our common shares for the prior 30 consecutive business days was below \$1.00 per share, we no longer met the minimum bid price requirement for the Nasdaq Capital Market, set forth in Nasdaq Listing Rule 5550(a)(2). We successfully regained compliance within the 180-day grace period. However, we cannot guarantee that we will remain in compliance with this or other listing standards in the future.

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

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

Our management will use its discretion to direct the net proceeds from this offering. We intend to use the net proceeds of this offering, after deducting the sale agent's commissions and our estimated offering expenses, to repay \$5.8 million of outstanding indebtedness under the Crede Notes (defined below), and the remainder, if any, for general corporate purposes, which may include capital expenditures. Our management's judgments may not result in positive returns on your investment and you will not have an opportunity to evaluate the economic, financial or other information upon which our management bases its decisions.

The actual number of shares we will issue under the equity distribution agreement, at any one time or in total, is uncertain.

Subject to certain limitations in the equity distribution agreement and compliance with applicable law, we have the discretion to deliver placement notices to Maxim as our exclusive sales agent at any time throughout the term of the equity distribution agreement. The number of shares that are sold by Maxim after delivering a placement notice will fluctuate based on the market price of the common shares during the sales period and limits we set with Maxim. Although we are initially eligible to sell common shares hereunder with an initial aggregate sales price of up to \$14,250,000, should we be eligible and desire to offer additional common shares pursuant to the equity distribution agreement with Maxim, we will file an additional prospectus supplement to register such additional common shares and the related preferred stock purchase rights. Therefore, investors will have no advance insight into the number of shares we are actually offering under the equity distribution agreement.

Investors may experience significant dilution as a result of this offering.

If we sell all of the 9,253,247 common shares offered pursuant to this prospectus supplement (assuming a sale price of \$1.54, which was the closing price of our common shares on May 23, 2018), we will have approximately 26,226,864 common shares outstanding, which represents in the aggregate an increase of approximately 55% in our currently issued and outstanding common shares. Because the sales of the shares offered hereby will be made directly into the market or in negotiated transactions, the prices at which we sell these shares will vary and these variations may be significant. If we sell all or a substantial portion of the total shares offered pursuant to this prospectus supplement, our existing shareholders will experience significant dilution as a result of this offering. An investor that purchases shares offered hereby will experience dilution if, following such purchase, we sell shares at prices significantly below the price at which the investor purchased its shares.

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

The market price of our common shares could decline due to sales, or the announcements of proposed sales, of a large number of our common shares in the market, including sales of common shares by our large shareholders, or the perception that these sales could occur. These sales or the perception that these sales could occur could also depress the market price of our common shares and impair our ability to raise capital through the sale of additional equity securities or make it more difficult or impossible for us to sell equity securities in the future at a time and price that we deem appropriate. We cannot predict the effect that future sales of common shares or other equity-related securities would have on the market price of our common shares.

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

Sales of our securities could cause the market price of our common shares to decline.

Sales of a substantial number of our common shares in the public market, as contemplated herein, or the perception that these sales could occur, may depress the market price for our common shares, and our shareholders may incur dilution from these sales. These sales could also impair our ability to raise additional capital through the sale of our equity securities in the future.

S-6

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

Several provisions of our Third Amended and Restated Articles of Incorporation, as amended, and Amended and Restated By-Laws, as amended, could make it difficult for our 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 stockholder approval;
- providing for a classified Board of Directors with staggered, three-year terms;
- prohibiting cumulative voting in the election of directors;
- authorizing the removal of directors only for cause and only upon the affirmative vote of the holders of at least 80% of the outstanding shares of our capital stock entitled to vote for the directors;
- prohibiting shareholder action by written consent unless the written consent is signed by all shareholders entitled to vote on the action;
- limiting the persons who may call special meetings of shareholders;
- establishing advance notice requirements for nominations for election to our Board of Directors or for proposing matters that can be acted on by shareholders at shareholder meetings; and
- restricting business combinations with interested shareholders.

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

The above anti-takeover provisions and the provisions of our stockholders rights agreement could substantially impede the ability of public 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.

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

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

S-7

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

We are a "foreign private issuer," as such term is defined in Rule 405 under the Securities Act of 1933, as amended, or the Securities Act. As a "foreign private issuer" the rules governing the information that we disclose differ from those governing U.S. corporations pursuant to the Securities Exchange Act of 1934, as amended, or the Exchange Act. We are not required to file quarterly reports on Form 10-Q or provide current reports on Form 8-K disclosing significant events within four days of their occurrence. In addition, our officers and directors are exempt from the reporting and "short-swing" profit recovery provisions of Section 16 of the Exchange Act and related rules with respect to their purchase and sales of our securities. Our exemption from the rules of Section 16 of the Exchange Act regarding sales of common shares by insiders means that you will have less data in this regard than shareholders of U.S. companies that are subject to the Exchange Act. Moreover, we are exempt from the proxy rules, and proxy statements that we distribute will not be subject to review by the Commission. Accordingly there may be less publicly available information concerning us than there is for other U.S. public companies. These factors could make our common shares less attractive to some investors or otherwise harm our stock price.

The adoption of a new accounting standard can pose a material impact to our consolidated financial statements. In February 2016, the FASB issued ASU No. 2016-02, Leases, ("ASC 842") which requires lessees to recognize leases on-balance sheet and disclose key information about leasing arrangements. The new standard establishes a right-of-use model ("ROU") that requires a lessee to recognize a ROU asset and lease liability on the balance sheet for all leases with a term longer than 12 months. Leases will be classified as finance or operating, with classification affecting the pattern and classification of expense recognition in the income statement. The new standard is effective for us on January 1, 2019, with early adoption permitted. Our adoption, and the ultimate effect on our consolidated financial statements, will be based on an evaluation of the contract-specific facts and circumstances. We plan to adopt the guidance on January 1, 2019, using a modified retrospective transition approach with the cumulative effect recognized at the date of initial application, whereby comparative prior period financial information will not be adjusted to reflect the new standard.

We expect that this standard will have a material effect on our consolidated financial statements. While we are continuing to assess the effect of adoption, we currently believe the most significant changes relate to the recognition of new ROU assets and lease liabilities on our balance sheet for vessels currently subject to operating leases (bareboat chartered in). We do not expect a significant change in our leasing activity between now and adoption. However, we have not quantified the effects of these expected changes from the new standard. We are currently evaluating any other impacts of ASC 842, including any newly issued guidance, will have on our consolidated financial statements and related disclosures.

Our President, Chief Executive Officer and Director, who may be deemed to beneficially own, directly or indirectly, 100% of our Series D Preferred Shares, has control over US.

As of May 24, 2018, Lax Trust, which is an irrevocable trust established for the benefit of certain family members of our President, Chief Executive Officer and Director, Mr. Evangelos Pistiolis, may be deemed to beneficially own, directly or indirectly, all of the 100,000 outstanding shares of our Series D Preferred Stock. Each Series D Preferred Share carries 1,000 votes. By its ownership of 100% of our Series D Preferred Shares, Lax Trust has control over our actions.

S-8

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## USE OF PROCEEDS

We intend to use the net proceeds of this offering, after deducting the sale agent's commissions and our estimated offering expenses, to repay \$5.8 million of outstanding indebtedness under the Crede Notes (defined below), and the remainder, if any, for general corporate purposes, which may include capital expenditures for our newbuilding vessels. On December 14, 2017, we entered into a note purchase agreement, or the Note Purchase Agreement, with Crede Capital Group, LLC (or Crede), an unaffiliated third party, pursuant to which we issued to Crede a \$12.5 million unsecured promissory note with revolving options for two additional \$5.0 million notes. On January 5, 2018, we amended the Note Purchase Agreement, pursuant to which we issued to Crede a second unsecured promissory note in the amount of \$5.369 million with a revolving option for an additional \$4.631 million note. We further amended the Note Purchase Agreement on February 8, 2018, pursuant to which we increased the borrowing availability under the agreement and issued to Crede a third unsecured promissory note in the amount of \$6.4 million. We refer to the three notes issued to Crede under the Note Purchase Agreement as the "Crede Notes."

The Crede Notes mature 24 months from the date of their issuance and bear interest at a rate of 2.0% per annum for the period of ninety days starting on the issuance date, (ii) 10.0% per annum for the period of ninety days starting on the date that is ninety days immediately following the issuance date and (iii) 15.0% per annum starting on the date that is one hundred eighty days immediately following the issuance date. The Crede Notes carry customary covenants and restrictions, including the covenant that all net proceeds that we receive from the sale of any of our equity securities shall be utilized exclusively to repay any outstanding amounts under the Crede Notes until the Crede Notes are repaid in full.

As of the date of this prospectus supplement, the first and second Crede Notes have been repaid in full and there remains \$5.8 million of outstanding indebtedness under the third Crede Note.

S-9

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CAPITALIZATION