Seanergy Maritime Holdings Corp.
Form F-1/A
November 08, 2018

As filed with the Securities and Exchange Commission on November 7, 2018

Registration No. 333-221058

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

AMENDMENT NO. 5 TO
FORM F-1
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933
Seanergy Maritime Holdings Corp.
(Exact name of registrant as specified in its charter)

Republic of the Marshall Islands	4412	N.A.
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification No.)

Seanergy Maritime Holdings Corp.
154 Vouliagmenis Avenue
166 74 Glyfada
Athens, Greece
Tel: +30 210 8913507
(Address and telephone number of Registrant's principal executive offices)

With copies to:

Gary J. Wolfe, Esq. Seward & Kissel LLP One Battery Park Plaza New York, New York 10004 (212) 574-1200 (telephone number) (212) 480- 8421 (facsimile number)	Todd E. Mason Thompson Hine LLP 335 Madison Avenue New York, New York 10017 (212) 344-5680 (telephone number)

Approximate date of commencement of proposed sale to the public: As soon as practicable after this Registration Statement becomes effective.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, please check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933.

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 7(a)(2)(B) of the Securities 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.

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Proposed Maximum Aggregate Offering Price(1)(2)	Amount of Registration Fee
Common shares, $0.0001 par value per share		
Total	$5,750,000	$696.90 (3)

(1) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(o) of the Securities Act of 1933, as amended.

(2) Includes the offering price of common shares that may be sold pursuant to the underwriters' option to purchase additional common shares.

(3) Previously paid.

The registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until the Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and is not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED NOVEMBER 7, 2018

PRELIMINARY PROSPECTUS

5,600,000

Common Shares

Seanergy Maritime Holdings Corp.

We are offering 5,600,000 of our common shares in this offering. On November 6, 2018, the last reported sale price per share of our common shares on the Nasdaq Capital Market was $0.89.

Our common shares are listed on the Nasdaq Capital Market under the symbol "SHIP".

Investing in our securities involves a high degree of risk. See "Risk Factors" beginning on page 15 of this prospectus for a discussion of information that should be considered in connection with an investment in our securities.

	Per Common Share	Total
Public offering price	$	$
Underwriting discount and commissions	$	$
Proceeds to the Company, before expenses	$	$

We have granted the underwriters an option for a period of up to 45 days to purchase up to 840,000 additional common shares.

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

The underwriters expect to deliver the common shares to purchasers in the offering on or about , 2018.

Fearnley Securities

The date of this prospectus is , 2018.

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ABOUT THIS PROSPECTUS

You should rely only on the information contained and incorporated by reference into this prospectus and in any free writing prospectus filed with the Securities and Exchange Commission. We have not, and the underwriters have not, authorized anyone to provide you with different information or to make representations other than those contained in this prospectus. If anyone provides you with different or inconsistent information, you should not rely on it. We are not, and the underwriters are not, making an offer to sell these securities in any jurisdiction where the offer is not permitted.

We obtained certain statistical data, market data and other industry data and forecasts used or incorporated by reference into this prospectus from publicly available information. While we believe that the statistical data, industry data, forecasts and market research are reliable, we have not independently verified the data, and we do not make any representation as to the accuracy of the information.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This prospectus and the documents incorporated by reference into this prospectus 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, but are not limited to, statements regarding our or our management's expectations, hopes, beliefs, intentions or strategies regarding the future and other statements that are other than statements of historical fact. In addition, any statements that refer to projections, forecasts or other characterizations of future events or circumstances, including any underlying assumptions, are forward-looking statements. The words "anticipate", "believe", "continue", "could", "estimate", "expect", "intend", "may", "might", "plan", "possible", "potential", "predict", "project", "should", "would" and similar expressions may identify forward-looking statements, but the absence of these words does not mean that a statement is not forward-looking.

The forward-looking statements in this prospectus and the documents incorporated by reference into this prospectus are based upon various assumptions, many of which are based, in turn, upon further assumptions, including without limitation, management's examination of historical operating trends, data contained in our records and other data available from third parties. Although we believe that these assumptions were reasonable when made, because these assumptions are inherently subject to significant uncertainties and contingencies which 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. As a result, you are cautioned not to rely on any forward-looking statements.

In addition to these important factors and matters discussed elsewhere herein and in the documents incorporated by reference herein, important factors that, in our view, could cause actual results to differ materially from those discussed in the forward-looking statements include among other things:

- changes in shipping industry trends, including charter rates, vessel values and factors affecting vessel supply and demand;
- changes in seaborne and other transportation patterns;
- changes in the supply of or demand for drybulk commodities, including drybulk commodities carried by sea, generally or in particular regions;
- changes in the number of newbuildings under construction in the drybulk shipping industry;
- changes in the useful lives and the value of our vessels and the related impact on our compliance with loan covenants;

- the aging of our fleet and increases in operating costs;
- changes in our ability to complete future, pending or recent acquisitions or dispositions;

- our ability to achieve successful utilization of our expanded fleet;
- changes to our financial condition and liquidity, including our ability to pay amounts that we owe and obtain additional financing to fund capital expenditures, acquisitions and other general corporate activities;
- risks related to our business strategy, areas of possible expansion or expected capital spending or operating expenses;
- changes in the availability of crew, number of off-hire days, classification survey requirements and insurance costs for the vessels in our fleet;
- changes in our ability to leverage the relationships and reputation in the drybulk shipping industry of V.Ships Limited, or V.Ships, and Fidelity Marine Inc., or Fidelity;
- changes in our relationships with our contract counterparties, including the failure of any of our contract counterparties to comply with their agreements with us;
- loss of our customers, charters or vessels;
- damage to our vessels;
- potential liability from future litigation and incidents involving our vessels;
- our future operating or financial results;
- our ability to continue as a going concern;
- acts of terrorism and other hostilities;
- changes in global and regional economic and political conditions;
- changes in governmental rules and regulations or actions taken by regulatory authorities, particularly with respect to the drybulk shipping industry; and
- other factors listed from time to time in registration statements, reports or other materials that we have filed with or furnished to the U.S. Securities and Exchange Commission, or the Commission, including our most recent annual report on Form 20-F, which is incorporated by reference into this prospectus.

These factors 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 or developments. 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.

We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law. If one or more forward-looking statements are updated, no inference should be drawn that additional updates will be made with respect to those or other forward-looking statements.

ENFORCEABILITY OF CIVIL LIABILITIES

We are incorporated under the laws of the Republic of the Marshall Islands and our principal executive offices are located outside the United States. Certain of our directors and officers reside outside the United States. In addition, substantially all of our assets and the assets of certain of our directors and officers are located outside the United States. As a result, it may not be possible for you to serve legal process within the United States upon us or any of these persons. It may also not be possible for you to enforce, both in and outside the United States, judgments you may obtain in United States courts against us or these persons in any action, including actions based upon the civil liability provisions of U.S. federal or state securities laws.

Furthermore, there is substantial doubt that courts in jurisdictions outside the U.S. (i) would enforce judgments of U.S. courts obtained in actions against us or our directors or officers based upon the civil liability provisions of applicable U.S. federal and state securities laws or (ii) would enforce, in original actions, liabilities against us or our directors or officers based on those laws.

PROSPECTUS SUMMARY

This summary highlights certain information that appears elsewhere in this prospectus or in documents incorporated by reference herein, and this summary is qualified in its entirety by that more detailed information. This summary may not contain all of the information that may be important to you. We urge you to carefully read this entire prospectus and the documents incorporated by reference herein. As an investor or prospective investor, you should also review carefully the sections entitled "Cautionary Statement Regarding Forward-Looking Statements" and "Risk Factors" in this prospectus and in our Annual Report on Form 20-F for the year ended December 31, 2017.

Unless the context otherwise requires, as used in this prospectus, the terms "Company", "Seanergy", "we", "us" and "our" refer to Seanergy Maritime Holdings Corp. and all of its subsidiaries, and "Seanergy Maritime Holdings Corp." refers only to Seanergy Maritime Holdings Corp. and not to its subsidiaries. We use the term deadweight ton, or dwt, in describing the size of our 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. Unless otherwise indicated, all references in this prospectus to "$" or "dollars" are to U.S. dollars, and financial information presented in this prospectus is derived from the financial statements incorporated by reference in this prospectus that were prepared in accordance with accounting principles generally accepted in the United States, or U.S. GAAP.

Overview

We are Seanergy Maritime Holdings Corp., an international shipping company specializing in the worldwide seaborne transportation of drybulk commodities, primarily iron ore and coal. We believe we have established a reputation in the international drybulk shipping industry for operating and maintaining vessels with high standards of performance, reliability and safety. Our management team is comprised of executives with extensive experience operating large and diversified fleets, and who have strong relationships to a growing number of international charterers.

Our fleet was acquired at a historically low point in the shipping cycle. In 2015, we acquired eight modern drybulk vessels (six Capesize and two Supramax vessels). In 2016 and 2017 we acquired a further three Capesize drybulk vessels. We refer to the ten vessels that we presently operate as our Fleet. Since March 2015, we have invested $275 million to acquire our Fleet, excluding the modern secondhand Capesize that we have agreed to acquire in September 2018. Capesize vessels range in size between 165,000 to 190,000 dwt. Supramax vessels range in size between 40,000 to 65,000 dwt.

In September 2018, we entered into agreements to sell our remaining Supramax vessel and purchase an additional Capesize vessel. Following the aforementioned Capesize vessel acquisition and the Supramax vessel disposal, our Company will be the only pure-play Capesize owner publicly listed in the U.S.

Our Fleet

As of the date of this prospectus, we operate a fleet of ten dry bulk carriers, comprised of nine Capesize vessels and one Supramax vessel, with a combined cargo-carrying capacity of approximately 1,625,763 dwt and an average age of approximately 9.6 years. The following table lists the vessels in our fleet as of the date of this prospectus:

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Fleet

Vessel Name	Year Built	Dwt	Flag	Yard	Type of Employment
Championship	2011	179,238	LIB	Sungdong	Spot
Partnership	2012	179,213	MI	Hyundai	Time Charter(2)
Knightship(3)	2010	178,978	LIB	Hyundai	Spot
Lordship	2010	178,838	LIB	Hyundai	Time Charter(4)
Gloriuship	2004	171,314	MI	Hyundai	Spot
Leadership	2001	171,199	BA	Koyo-Imabari	Spot
Geniuship	2010	170,057	MI	Sungdong	Spot
Premiership	2010	170,024	IoM	Sungdong	Spot
Squireship	2010	170,018	LIB	Sungdong	Spot
Guardianship (5)	2011	56,884	MI	CSC Jinling	Spot
Average Age/Total dwt:	9.6 years	1,625,763			

Vessel to be Delivered	Year Built	Dwt	Flag	Yard	Type of Employment
Fellowship (5)	2010	179,701	MI	Daewoo	Time Charter (6)
Average Age/Total dwt (7)	9.6 years	1,748,580			

(1) This vessel is being chartered by Uniper Global Commodities Se and was delivered to the charterer on June 13, 2017 for a period of employment of about 12 months to about 18 months at a gross daily rate of $16,200.

(2) On June 29, 2018 we entered into a financing arrangement according to which this vessel was sold to and leased back on a bareboat basis from a major Chinese leasing institution for an eight year period. We have a purchase obligation at the end of the eight year period and we further have the option to repurchase the vessel at any time following the second anniversary of the bareboat charter.

(3) This vessel is being chartered by Oldendorff Carriers GmbH & Co. KG and was delivered to the charterer on June 28, 2017, in direct continuation of the vessel's previous time charter, for a period of about 18 months to about 22 months. The net daily charter hire is calculated at an index linked rate based on the five time charter routes rate of the Baltic Capesize Index. In addition, the time charter provides us an option for any period of time during the hire to be converted into a fixed rate time charter, between three months and 12 months, with a rate corresponding to the prevailing value of the respective Capesize forward freight agreement.

(4) The Company has entered in September 2018 into a definitive agreement with unaffiliated third party for the sale of the Guardianship.

(5) This vessel is expected to be delivered to Seanergy in November 2018. Please see "Prospectus Summary - Recent Developments".

(6) This vessel is being chartered by Swissmarine S.A. and was delivered to the charterer on February 6, 2017 for a period of employment of about 10 months to about 13 months at a gross daily rate of $17,250

(7) Pro-forma fleet, following the delivery of the Fellowship to Seanergy and the Guardianship to its new owners.

Key to Flags:
BA – Bahamas, IoM – Isle of Man, LIB – Liberia, MI – Marshall Islands

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Competitive Strengths

We believe that we possess a number of strengths that provide us with a competitive advantage in the drybulk shipping market, including the following:

- Focus on Capesize Vessels. Our fleet currently consists of nine Capesize vessels and one Supramax vessel. Following the completion of the aforementioned Capesize vessel acquisition and Supramax vessel disposal, our fleet will consist of ten Capesize vessels. Therefore, on a pro-forma basis, our Company will be the only pure-play Capesize publicly-listed shipping company worldwide. We believe our focus on just one asset class (Capesize vessels) in the drybulk space provide us with operational and commercial expertise in this market. We believe, further, that our focus on the Capesize market will attract a broader and deeper shareholder base to benefit from the transport of iron ore and coal, to gain exposure to the industries and economies directly affected by the trade of iron ore and coal (including China and Brazil), and to minimize their exposure to the segments of the drybulk market that may be influenced from a much wider range of variables than the trades of iron ore and coal. According to Karatzas Marine Advisors & Co., seaborne transportation for iron ore and coal has increased by 1.6% in 2016, 4.0% in 2017 and is expected to increase by 3.8% in 2018. In addition, the newbuilding orderbook for Capesize vessels currently represents approximately 3% of the current fleet, a significant reduction from 35.4%, the average size of the newbuilding orderbook of the fleet for the last 10 years. As seen in the graph below, relative to our publicly traded drybulk owner peers, the Company has distinguished itself in the market as a dedicated provider of Capesize tonnage.

Bubble size represents cargo carrying capacity in dwt. Companies in sample: Diana Shipping Inc, Eagle Bulk Shipping Inc, Genco Shipping & Trading Ltd, Pangaea Logistics Solutions, Scorpio Bulkers Inc, Golden Ocean Group, Navios Holdings Inc., Navios Maritime Partners L.P., Eurodry Ltd., Globus Maritime Limited, Safe Bulkers Inc, Star Bulk Carriers Corp.

- Focus on Quality and Commercially Competitive Tonnage. Our fleet consists of modern-design Capesize vessels with large cargo carrying capacity that are expected to be fully compliant with existing and expected regulations. We believe our modern-design vessels built at reputable Korean and Japanese shipyards are preferred by charterers, as they require lower maintenance and typically have lower operating expenses than older vessels.

- Experienced Management. Our Company's leadership has considerable depth of shipping industry expertise. Mr. Tsantanis, our Chairman, Chief Executive Officer, brings more than 20 years of experience in shipping and finance and has held senior management positions in prominent shipping companies prior to leading our Company. Mr. Gyftakis, our Chief Financial Officer, has more than 12 years of experience in senior positions in the shipping finance industry. The Company's Chief Operations Officer, Chief Technical Officer and General Counsel have a combined experience of 53 years in senior positions.

- Access to off market sale and purchase opportunities and ability of prompt execution. Our past track record, the strength and expertise of our management team, our commercial expertise and reputation in the marketplace, and our transparent and public structure may allow us to source off-market secondhand vessels and to build on our strong track record of executing such transactions.

- Access to Attractive Chartering Opportunities. The Company's senior management in combination with Fidelity, our commercial manager, has established strong global relationships with international miners, charterers and brokers. We believe that our relationships with these counterparties should provide us with access to attractive chartering opportunities. Furthermore, we aim to maintain our fleet at a level that meets or exceeds stringent industry standards as we believe that owning a modern and well-maintained fleet provides us with a competitive advantage in securing favorable time and spot charters. However, it is possible that the daily rates we receive on future time and spot charters may be lower depending on market fluctuations. As a demonstration of our ability to source attractive employment opportunities two of our vessels have recently entered into long-term time charters with a duration of five years. As part of the agreements, the charterers have agreed to cover the costs for the installation of exhaust gas systems, or scrubbers, on our vessels in order to ensure compliance with the International Maritime Organization's Sulphur limit rules that will be in effect after January 1, 2020. We believe that the willingness of our charterers to invest in our vessels is a testament to the superior employment opportunities enjoyed by our fleet.

BUSINESS STRATEGY

Our strategy is centered on managing our fleet to world-class standards to produce strong cash flows and to further expand our fleet to build our position as a reliable provider of international seaborne transportation services for drybulk commodities. The key elements of our business strategy include:

- Expanding Our Fleet Through Accretive Acquisitions. We aim to acquire high quality Capesize dry bulk carriers through timely acquisitions at prices that are attractive when compared to the vessels' future earnings potential. We currently view the Capesize vessel class as providing the most attractive returns in the dry bulk space given existing vessel price levels. In evaluating acquisitions, we consider and analyze, among other things, our expectation of fundamental developments in the drybulk shipping industry sector, the level of liquidity in the resale and charter market, vessel condition and technical specifications, expected remaining useful life, as well as the overall strategic positioning of our fleet and customers. For vessels acquired with charters attached, we also consider the credit quality of the charterer and duration and terms of the contracts in place.

- Positioned to Capitalize on an Improving Rate Environment via Spot Market Exposure. We believe our current fleet is optimized to capture increasing vessel revenues because of an upward trend in spot rates. Currently our entire fleet with the exception of two vessels is employed in the spot market under agreements that allow Seanergy to benefit from market improvements. The average of the five time charter routes for the Baltic Capesize Index, or the BCI TCE, the generally agreed upon proxy for spot Capesize shipping rates, has recently increased significantly by 5,154% from the record low level of $485 per day on March 17, 2016 to $14,959 per day on November 7, 2018. The average daily BCI TCE of the last fifteen years from November 2008 until October 2018 is $38,174. As spot charter rates revert to long-term average levels, we expect our chartering strategy to shift towards employing a greater proportion of our fleet under long term fixed-rate contracts in order to minimize downside risk. Because the spot market is volatile, there can be no assurance that the recent increases in the drybulk charter market will continue.

- Building a Modern-design Capesize Fleet with Critical Mass. In today's competitive world, shipping companies with larger fleets can benefit from economies of scale by reducing operating expenses per vessel due to volume price discounting; larger fleets also command the preference of the charterers as they can also benefit from the economies of scale themselves. More importantly, shipping companies with larger fleets have greater access to financing on competitive terms from shipping banks and lessors, as well as from institutional investors and the capital markets. The graph shown above under "Competitive Strengths", illustrates our Company's distinct position in the marketplace now as it has gained critical mass in terms of deadweight tonnage.

Management of Our Fleet

We manage our vessels' operations, insurances, claims and bunkering and have the general supervision of our third-party technical and commercial managers. Pursuant to technical management agreements with our vessel owning subsidiaries, V. Ships, an independent third party, provides technical management for our vessels that includes general administrative and support services, such as crewing and other technical management, accounting related to vessels and provisions. Fidelity, an independent third party, provides commercial management services for all of the vessels in our fleet pursuant to a commercial management agreement with Seanergy Management Corp., our wholly-owned ship managing subsidiary.

Loan Facilities and Other Financial Liabilities Update

We currently have six senior secured loan facilities with commercial lenders with an aggregate outstanding balance of $173.3 million, two junior secured and one unsecured loan facility with Jelco Delta Holdings Corp., or Jelco, a company affiliated with Claudia Restis, who is our principal shareholder, or Sponsor with an outstanding balance of $19.4 million and a sale and leaseback financing agreement with an outstanding balance of $19.4 million.

The senior secured loan facility with Alpha Bank AE, originally entered into in March 2015 and amended in December 2015, July 2016 and June 2018, currently has an outstanding balance of $6.0 million and amortization payments for this facility commenced on June 17, 2015. The senior secured loan facility with HSH Nordbank AG, originally entered into in September 2015 and amended in May 2016, February 2017 and March 2018, currently has an outstanding balance of $36.2 million and amortization payments for this facility commenced on September 30, 2017. The senior secured loan facility with UniCredit Bank AG, originally entered into in September 2015 and amended in June 2016, July 2016, March 2017, September 2017, April 2018 and October 2018 currently has an outstanding balance of $43.4 million and amortization payments for this facility commenced on June 26, 2017. The senior secured loan facility with Alpha Bank AE, originally entered into in November 2015 and amended in July 2016 and June 2018, currently has an outstanding balance of $31.2 million and amortization payments for this facility commenced on February 12, 2018. The senior secured loan facility with ATB, which was originally entered into in May 2017 and was amended and restated in September 2017, in order to partially fund the refinancing of our previous loan facility with Natixis, and further amended in May 2018, currently has an outstanding balance of $32.3 million and amortization payments for this facility commenced on August 28, 2017 and November 27, 2017, respectively. Lastly, the senior secured loan facility provided by Blue Ocean maritime lending funds managed by EnTrustPermal, originally entered into in June 2018 for the purpose of refinancing the outstanding indebtedness under the previous loan facility with NSF, currently has an outstanding balance of $24.3 million and amortization payments for this facility commenced on September 13, 2018.

Additionally, the junior secured loan facility with Jelco, originally entered into in October 2016 and amended and restated in November 2016, currently has an outstanding balance of $5.9 million. The junior secured loan facility with Jelco, originally entered into in May 2017 and amended in June 2017, in August 2017 and further amended and restated in September 2017, currently has an outstanding balance of $11.5 million. Lastly, the junior unsecured loan facility with Jelco, originally entered into in April 2018, which was amended and restated in June 2018 and further amended in August 2018, currently has an outstanding balance of $2.0 million.

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Finally, in June 2018, we entered into a sale and leaseback agreement with Hanchen Limited, or Hanchen, an affiliate of AVIC International Leasing Co., Ltd., for the purpose of refinancing the outstanding indebtedness under the previous loan facility with NSF. Under U.S. GAAP, the transaction was accounted for as a failed sale and leaseback transaction and resulted in a financial liability. Under the terms of the agreement the Knightship was sold for an amount of $26.5 million and was leased back on a bareboat basis for a period of 8 years. Seanergy has an obligation to purchase the vessel at the end of the 8-year period. As of the date of this prospectus, the amount outstanding is $19.4 million.

As of the date of this prospectus, we are in compliance with all applicable financial covenants under our loan facilities, subject to reduced thresholds for certain financial covenants which will expire or adjust in 2019. In the absence of a significant deterioration in market conditions, we expect to remain in compliance with all applicable financial covenants following such expiration or adjustment of the currently reduced thresholds in 2019. For more information regarding our current loan facilities, please see "Management's Discussion and Analysis of Financial Condition and Results of Operations - Description of Indebtedness" in our unaudited interim consolidated financial statements for the six months ended June 30, 2018 in our Report on Form 6-K filed with the Commission on August 10, 2018, which is incorporated by reference herein.

Drybulk Shipping Industry Trends

Based on information provided by Karatzas Marine Advisors & Co., we believe that the following industry trends create growth opportunities for us as an owner and operator of drybulk vessels:

- dry bulk fleet growth has declined every year from 2011 to 2016, while 2017 fleet growth of 2.20% was the lowest of the past 17 years. Given that the vessel orderbook is currently at a low level and the long lead-time involved in new vessel orders, fleet growth is expected to remain below 3% until 2020;

- global economic activity and industrial production continues to rely on raw materials and commodity consumption. World dry bulk trade is expected to increase by 2.5% in 2018 and 2.4% in 2019;

- strong steel profit margins support high demand for high-grade iron ore concentrates, which are mainly exported out of Brazil, Australia and South Africa. Mining capacity expansion by the world's largest mining companies to fulfill this demand has supported increasing demand for Capesize dry bulk vessels over the past years, a trend which is expected to continue; Vale's, BHP Billiton's and Rio Tinto's production growth for the first 9 months of 2018 was 3.8%, 6.3% and 4.8%, respectively;

- in 2017 and 2018, there has been a significant rise in vessel prices compared to the levels seen in 2016. Prices for 5-year and 10-year old 180,000 dwt Capesize vessels averaged approximately $24.5 and $13.8 million, respectively, in 2016, while prices in October 2018 stood at $36 million and $25 million, respectively. As a matter of comparison, the fifteen year average for 5-year and 10-year old Capesize vessels stand at $43 million and $31 million respectively, even when excluding years 2006-2008, considered years of a super cycle. Despite the significant increase of 80%, we believe there is upside potential since current asset prices are materially below the fifteen-year historical average;

- as of October 24, 2018, the average of the BCI TCE was $19,025 per day, 157% higher than the average level in 2016; the fifteen-year average for short-term Capesize vessel time-charters was approximately $38,000 per day, or $26,000 per day when the years of the 2006-2008 supercycle are excluded. The present Capesize freight market is materially lower than the historical average and we believe further upside potential for the market "reverting to the mean";

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