TOP SHIPS INC.
Form F-3
June 27, 2014
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Registration No. 333-

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM F-3

REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933

TOP SHIPS INC.

(Exact name of Registrant as specified in its charter)

The Republic of the Marshall Islands	**N/A**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification Number)**

1 Vas. Sofias and Meg. Alexandrou Str,

15124 Maroussi, Greece

011 30 210 8128180
(Address and telephone number of

Registrant s principal executive offices)

Seward & Kissel LLP

Attention: Gary J. Wolfe, Esq.

One Battery Park Plaza

New York, New York 10004

(212) 574-1200
(Name, address and telephone

number of agent for service)

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)

Approximate date of commencement of proposed sale to the public: From time to time after this registration statement becomes effective as determined by market conditions and other factors.

If only securities being registered on this Form are being offered pursuant to dividend or interest reinvestment plans, please check the following box. ¨

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, check the following box. x

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 registration statement pursuant to General Instruction I.C. or a post-effective amendment thereto that shall become effective upon filing with the Commission pursuant to Rule 462(e) under the Securities Act, check the following box. ¨

If this Form is a post-effective amendment to a registration statement filed pursuant to General Instruction I.C. filed to register additional securities or additional classes of securities pursuant to Rule 413(b) under the Securities Act, check the following box. ¨

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CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered(1)	Proposed Maximum Aggregate Offering Price(1)(2)	Amount of Registration Fee(3)
Common Stock, par value $0.01 per share			
Preferred Stock, par value $0.01 per share			
Preferred Stock Purchase Rights(4)			
Debt Securities(5)			
Guarantees(6)			
Warrants(7)			
Purchase Contracts(8)			
Rights(9)			
Units(10)			
Total		$250,000,000	$32,200

(1) Such amount in U.S. dollars or the equivalent thereof in foreign currencies as shall result in an aggregate initial public offering price for all securities of $250,000,000. Also includes such indeterminate amount of debt securities and shares of common stock and preferred stock as may be issued upon conversion or exchange for any other debt securities or preferred stock that provide for conversion or exchange into other securities.

(2) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(o) under the Securities Act of 1933. Pursuant to General Instruction II.C of Form F-3, the table does not specify by each class information as to the proposed maximum aggregate offering price. Any securities registered hereunder may be sold separately or as units with other securities registered hereunder. In no event will the aggregate offering price of all securities sold by Top Ships Inc. pursuant to this registration statement exceed $250,000,000.

(3) Calculated in accordance with Rule 457(o) under the Securities Act of 1933.

(4) Preferred stock purchase rights are not currently separable from the common stock and are not currently exercisable. The value attributable to the preferred stock purchase rights, if any, will be reflected in the market price of the common stock.

(5) If any debt securities are issued at an original issue discount, then the offering may be in such greater principal amount as shall result in a maximum aggregate offering price not to exceed $250,000,000.

(6) The debt securities may be guaranteed pursuant to guarantees by the subsidiaries of Top Ships Inc. No separate compensation will be received for the guarantees. Pursuant to Rule 457(n), no separate fees for the guarantees are payable.

(7) There is being registered hereunder an indeterminate number of warrants as may from time to time be sold at indeterminate prices not to exceed an aggregate offering price of $250,000,000.

(8) There is being registered hereunder an indeterminate number of purchase contracts as may from time to time be sold at indeterminate prices not to exceed an aggregate offering price of $250,000,000.

(9) There is being registered hereunder an indeterminate number of rights as may from time to time be sold at indeterminate prices not to exceed an aggregate offering price of $250,000,000.

(10) There is being registered hereunder an indeterminate number of units as may from time to time be sold at indeterminate prices not to exceed an aggregate offering price of $250,000,000. Units may consist of any combination of the securities registered hereunder.

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 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.

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TABLE OF ADDITIONAL REGISTRANTS

Exact Name of Registrant as Specified in its Charter	Country of Incorporation	Primary Standard Industrial Classification Code No.
Parnasos Shipping Company Limited	Liberia	4412
Japan I Shipping Company Limited	Liberia	4412
Japan II Shipping Company Limited	Liberia	4412
Japan III Shipping Company Limited	Liberia	4412
Banksy Shipping Company Limited	Liberia	4412
Top Tanker Management Inc.	Marshall Islands	4412
Ilisos Shipping Company Limited	Marshall Islands	4412
Amalfi Shipping Company Limited	Marshall Islands	4412
Lyndon International Co	Marshall Islands	4412
Monte Carlo 37 Shipping Company Limited	Marshall Islands	4412
Monte Carlo Seven Shipping Company Limited	Marshall Islands	4412
Monte Carlo 39 Shipping Company Limited	Marshall Islands	4412
Mytikas Shipping Company Limited	Marshall Islands	4412
Monte Carlo One Shipping Company Limited	Marshall Islands	4412
Monte Carlo LAX Shipping Company Limited	Marshall Islands	4412

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The information in this prospectus is not complete and may be changed. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy or sell these securities in any jurisdiction where the offer or sale is not permitted. These securities may not be sold until the registration statement filed with the securities and exchange commission is effective.

PRELIMINARY PROSPECTUS Subject to completion, dated June 27, 2014

$250,000,000

TOP SHIPS INC.

Through this prospectus we may periodically offer:

(1) shares of our common stock, including related preferred stock purchase rights;

(2) shares of our preferred stock;

(3) our debt securities, which may be guaranteed by one or more of our subsidiaries;

(4) our warrants;

(5) our purchase contracts;

(5) our rights; and

(6) our units.

We may also offer securities of the types listed above that are convertible or exchangeable into one or more of the securities listed above.

The aggregate offering price of all securities issued under this prospectus may not exceed $250,000,000. The securities issued under this prospectus may be offered directly or through underwriters, agents or dealers. The names of any underwriters, agents or dealers will be included in a supplement to this prospectus.

The prices and other terms of the securities that we will offer will be determined at the time of their offering and will be described in a supplement to this prospectus.

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

The aggregate market value of our outstanding common stock held by non-affiliates is $63,362,611, based on 18,969,989 shares of common stock outstanding, of which 11,334,993 are held by non-affiliates, and a closing price on the Nasdaq Global Select Market of $5.59 on May 13, 2104. As of the date hereof, we have not offered 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 hereof.

An investment in these securities involves risks. See the section entitled Risk Factors beginning on page 6 of this prospectus, and other risk factors contained in the applicable prospectus supplement and in the documents incorporated by reference herein and therein.

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 date of this prospectus is , 2014

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Unless otherwise indicated, all references to dollars and $ in this prospectus are to, and amounts presented in, United States dollars and financial information presented in this prospectus that is derived from financial statements incorporated by reference is prepared in accordance with accounting principles generally accepted in the United States, or U.S. GAAP. We have a fiscal year end of December 31.

This prospectus is part of a registration statement that we filed with the U.S. Securities and Exchange Commission, or the SEC, using a shelf registration process. Under the shelf registration process, we may sell shares of common stock (including related preferred stock purchase rights), shares of preferred stock, debt securities (and related guarantees), warrants, purchase contracts, rights and units described in this prospectus from time to time in one or more offerings, up to a total of $250,000,000. This prospectus only provides you with a general description of the securities we may offer. Each time we offer securities, we will provide you with a supplement to this prospectus that will describe the specific information about the securities being offered and the specific terms of that offering. The supplement may also add, update or change the information contained in this prospectus. If there is any inconsistency between the information in this prospectus and any prospectus supplement, you should rely on the prospectus supplement. Before purchasing any securities, you should read carefully both this prospectus and any supplement, together with the additional information described below.

This prospectus and any prospectus supplement are part of a registration statement we filed with the SEC and do not contain all the information in the registration statement. Forms of the indenture and other documents establishing the terms of the offered securities are filed as exhibits to the registration statement. Statements in this prospectus or any prospectus supplement about these documents are summaries and each statement is qualified in all respects by reference to the document to which it refers. You should refer to the actual documents for a more complete description of the relevant matters. For further information about us or the securities offered hereby, you should refer to the registration statement, which you can obtain from the SEC as described below under the section entitled Where You

Can Find Additional Information.

You should rely only on the information contained or incorporated by reference in this prospectus and in any prospectus supplement. We have not authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We will not make an

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offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should assume that the information appearing in this prospectus and the applicable supplement to this prospectus is accurate as of the date on its respective cover, and that any information incorporated by reference is accurate only as of the date of the document incorporated by reference, unless we indicate otherwise. Our business, financial condition, results of operations and prospects may have changed since those dates.

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SUMMARY

This section summarizes some of the information that is contained in or incorporated by reference in this prospectus. As an investor or prospective investor, you should review carefully all of the information contained or incorporated by reference in this prospectus and any accompanying prospectus supplement, including the Risk Factors and our financial statements and related notes contained herein and therein, before making an investment decision. Unless otherwise indicated, the information presented in this prospectus gives effect to a one-for-seven reverse stock split of our issued and outstanding common shares effective on April 21, 2014.

Unless the context otherwise requires, as used in this prospectus, the terms Company, we, us, and our refer to Top Ships Inc. and all of its subsidiaries, and Top Ships Inc. refers only to Top Ships Inc. and not to 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 the U.S. dollar and all references in this prospectus to $ or dollars are to U.S. dollars. Throughout this prospectus, the conversion from Euros to U.S. dollars is based on the U.S. dollar/Euro exchange rate of 1.379 as of December 31, 2013, unless otherwise specified.

Our Company

We are a provider of international seaborne transportation services, carrying petroleum products for the oil industry.

Our fleet is expected to initially consist of six medium-range, or MR, product/chemical tankers under construction, including two 39,000 dwt and four 50,000 dwt tankers, of which one 50,000 dwt tanker was delivered on June 20, 2014, with the remaining five tankers scheduled to be delivered from Hyundai Mipo Dockyard Co., Ltd. between the first quarter of 2015 and the third quarter of 2016. We have fixed all of the vessels of our fleet on medium-term time charter contracts commencing upon delivery.

We acquired our five newbuilding vessels under construction on March 19, 2014, through share purchase agreements we entered into with affiliates of our President, Chief Executive Officer and Director, Evangelos J. Pistiolis, and unrelated third parties. We acquired the shipbuilding contracts for these vessels, Hull Nos. S407, S418, S419, S414 and S417, for an aggregate purchase price of $43.3 million, paid as follows: $2.5 million in cash and $40.8 million in newly-issued common shares, issued at $7.00 per share. Pursuant to the share purchase agreements with respect to Hull Nos. S407, S418, S419 and S417, until September 19, 2014, we will have the right to buy back up to 2,046,342 shares issued to the unaffiliated parties to the agreements at a price of $8.40 per share. Concurrently with the share purchase agreements, we entered into an agreement to terminate the MOA we had previously entered into on December 5, 2013 for the acquisition of Hull S418, and to apply the full amount of the deposit paid under the MOA, in the amount of $7.0 million, to reduce the purchase price under the share purchase agreement.

On February 6, 2014, we entered into a memorandum of agreement, or an MOA, with an affiliate of Mr. Pistiolis, to acquire Hull No. S406, the vessel which was delivered on June 20, 2014 and renamed the M/T *Eships Taweelah*.

We intend to continue to review the market in order to identify potential acquisition targets which will be accretive to our earnings per share. Our acquisition strategy focuses on the acquisition and operation of the latest generation MR product/chemical tankers with fuel-efficient specifications and sizes of greater than 38,000 dwt, consistent with our current fleet of newbuildings under construction. We believe that recent advances in shipbuilding design and technology should make these latest generation vessels more fuel-efficient than older vessels in the global fleet that compete with us for charters, providing us with a competitive advantage.

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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 managing and operating large and diversified fleets of vessels, and who have strong ties to a number of national, regional and international oil companies, charterers and traders.

Our Fleet

The following table presents certain information concerning our fleet as of the date of this prospectus:

Operating Fleet:

	Delivery Date	Capacity (Dwt)	Type	Charterer	Duration (years fixed + options)*	Gross Rate per day fixed period/ options**
M/T *Eships Taweelah*	June 20, 2014	50,000	MR	Eships Tankers Ltd	2+1	$ 16,000/ $ 17,250

Newbuilding Fleet:

	Contractual Delivery Dates	Capacity (Dwt)	Type	Charterer upon delivery	Duration (years fixed + options)*	Expected Gross Rate per day fixed period/ options**
Hull number S407	Q1 2015	50,000	MR	Eships Tankers Ltd	2+1	$ 16,000/ $ 17,250
Hull number S418	Q3 2015	39,000	MR	BP Shipping Limited	3+1+1	$ 15,200/ $ 16,000/ $ 16,750
Hull number S419	Q1 2016	39,000	MR	BP Shipping Limited	3+1+1	$ 15,200/ $ 16,000/ $ 16,750
Hull number S414	Q2 2016	50,000	MR	Eships Tankers Ltd	2+1	$ 16,000/ $ 17,250
Hull number S417	Q3 2016	50,000	MR	Dampskibsselskabet NORDEN A/S	5+1+1	$ 16,800/

$	17,600/
$	18,400

* Options may be exercised at the charterer s option
** Includes a 1.25% commission payable to our Fleet Manager and a 1.25% commission payable to third party brokers.

Our existing vessel is, and all of our vessels under construction will be, equipped with engines of modern design and with improvements in the hull, propellers and other parts of the vessel specifically designed to decrease fuel consumption and reduce emissions. Vessels with this combination of technologies, introduced in the last two years from certain shipyards, are commonly referred to as ECO vessels.

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We have remaining contractual commitments for the acquisition of our fleet totaling approximately $130.7 million, including $22.1 million, $28.2 million, $28.2 million, $26.0 million and $26.2 million pursuant to our newbuilding agreements for Hull S407, Hull S418, Hull S419, Hull S414 and Hull S417, respectively. We plan to finance the remaining contractual cash commitments for our fleet with borrowings under new credit facilities, cash flows from operations and net proceeds from securities offered in the public and private equity and debt capital markets.

Competitive Strengths

Experienced Management Team. Our founder, President and Chief Executive Officer, Evangelos J. Pistiolis, has assembled a management team of senior executive officers, some of whom have been with us for more than 10 years, with extensive experience in all aspects of the shipping industry. Our management team s experience encompasses the commercial, technical, management and financial areas of our business, and we believe their extensive experience will promote a focused marketing effort, tight quality and cost controls, effective operations and safety.

Modern, Fuel-Efficient Fleet. All of the newbuilding vessels of our fleet have been built, or are being built, with the latest-generation, fuel-efficient design and specification. Additionally, all our vessels have IMO II/III designation specifications which enable them to transport a wide variety of oil products, including certain chemical cargoes, which we believe will make our vessels attractive to a wide base of charterers. We believe that modern, fuel-efficient vessels like ours will command higher charter rates than conventional vessels.

Sister Ship Fleet. When we take delivery of all six of our newbuilding vessels, approximately 72% of our fleet in terms of dwt will be considered sister ships, which are vessels of the same type and specification. We expect that the uniform nature of our sister ships will provide us with cost efficiencies in maintaining, supplying and crewing them. We intend to continue to seek to acquire sister ships, which we believe will provide us with efficiencies in meeting our customers needs and enhance the revenue generating potential of our fleet by providing operational and scheduling flexibility.

Strong Relationships with Reputable Charterers. We have built strong relationships with many well-known charterers, which we believe is the result of our proven track record and our reputation for dependability. Through fixed period time charters and spot charters, we have provided services to many national, regional and international oil companies, charterers and oil traders, including Shell, BP, ExxonMobil, Petrobras, ConocoPhillips, Pemex, Hellenic Petroleum, Glencore, Vitol and Trafigura. We focus on the needs of our customers and intend to acquire tankers and upgrade our fleet based on their requirements and specifications, which we believe will enable us to obtain repeat business from our customers. As of the date of this prospectus, all of our vessels are party to multi-year time charters, three with Eships Tankers Ltd., two with BP Shipping Limited and one with Dampskibsselskabet NORDEN A/S, to commence on each vessel s delivery.

Business Strategy

Our business strategy is focused on expanding our fleet by identifying potential acquisition targets on terms which will be accretive to our earnings per share. Our acquisition strategy focuses on the acquisition and operation of the latest generation MR product/chemical tankers with fuel-efficient specifications and sizes of greater than 38,000 dwt, consistent with our current fleet of newbuildings under construction. Additionally, we may acquire vessels in other sectors which we believe offer attractive investment opportunities, including crude oil tankers. We believe that recent advances in shipbuilding design and technology should make these latest generation vessels more fuel-efficient than older vessels in the global fleet that compete with us for charters, providing us with a competitive advantage. Furthermore, we aim to further nurture and maintain our excellent

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relationships with participants in the international ocean transport industry, including leading charterers, national and independent oil companies, oil traders, brokers, suppliers, classification societies, insurers, shipyards and others.

The key elements of our business strategy are:

Return-Driven Acquisitions. We intend to grow our fleet through timely and selective acquisitions of high quality vessels in a manner that will be accretive to our earnings per share. Our acquisition strategy focuses on the acquisition and operation of the latest generation MR product/chemical tankers with fuel-efficient specifications and sizes of greater than 38,000 dwt. We continuously monitor acquisition opportunities in various sectors of the shipping industry based on certain financial returns criteria. We seek to identify, analyze and strategically invest when attractive opportunities arise.

Focus on high specification ECO modern tonnage. All of the vessels in our fleet are being built with the latest generation fuel-efficient design and specification, and we intend to focus our acquisition strategy on modern fuel-efficient vessels.

Maintain stable cash flows. We seek to maintain stable cash flows by pursuing medium- to long-term charter contracts for our vessels and focusing on minimizing operating downtime. We believe that our focus on medium to long-term contracts improves the stability and predictability of our operating cash flows, which we believe will enable us to access equity and debt capital markets on attractive terms and, therefore, facilitate our growth strategy.

Capitalize on strategic relationships with high-quality customers. We plan to continue to foster strategic relationships with major international oil companies and high quality charterers for our tankers.

Recent Developments

On February 24, 2014, at a Special Meeting of Shareholders, our shareholders approved a proposal authorizing our Board of Directors to effect a reverse stock split of our issued and outstanding common shares by a ratio of not less than one-for-two and not more than one-for-twenty with the exact ratio to be set at a whole number within this range to be determined by the Board of Directors in its discretion.

On March 7, 2014 we terminated the Letter Agreement with Central Mare Inc., or Central Mare, and on March 10, 2014 we entered into a new Letter Agreement with Central Shipping Monaco SAM, or CSM, which we refer to as our Fleet Manager, providing for newbuilding supervision services, technical and commercial vessel management services, and accounting, reporting and administrative services. CSM is a related party controlled by our President, Chief Executive Officer and Director, Evangelos J. Pistiolis. Please see the section entitled Certain Relationships and Related-Party Transactions for further information.

On April 2, 2014 our Board of Directors determined to effect a one-for-seven reverse stock split of our common stock. The reverse stock split was effected on April 21, 2014. As a result of the reverse stock split, the number of outstanding shares decreased to 8,309,997 shares and the par value of our common shares remained unchanged at $0.01 per share.

On April 7, 2014 we entered into a time charter party with Dampskibsselskabet NORDEN A/S (DS Norden A/S) for our newbuilding vessel Hull No. S417. The time charter is for a duration of five years with a gross daily hire rate of $16,800 per day. The charterers have the option to extend the time charter for another year at $17,600 per day and another year after that for $18,400 per day.

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On April 9, 2014 we announced that Mr. Michael Docherty, a Class I director, resigned. We have increased the size of our Board of Directors (the Board) from four members to five members, and have appointed Mr. Konstantinos Karelas and Mr. Alexandros Economou to the Board. Both Mr. Konstantinos Karelas and Mr. Alexandros Economou will serve as members of the Audit Committee, Nominating and Corporate Governance Committee, and Compensation Committee of the Board.

On June 11, 2014 we sold in an underwritten public offering 10,000,000 shares of our common stock, and warrants to purchase 5,000,000 common shares, at $2.00 per common share and $0.00001 per warrant. Race Navigation Inc., a company wholly-owned by Mr. Pistiolis, purchased $5.0 million of common shares and warrants in the public offering. The warrants have an exercise price of $2.50 per share, are exercisable immediately, and will expire five years from the date of issuance. We granted the underwriters a 45-day option to purchase up to an additional 1,500,000 common shares and/or up to 750,000 additional warrants to cover over-allotments, if any. The offering closed on June 11, 2014. On June 11 and June 18, 2014, the underwriters partially exercised their over-allotment option to purchase an additional 660,000 common shares and 330,000 warrants. The gross proceeds from this offering before deducting the underwriting discount and other offering expenses payable by us were approximately $21.3 million.

On June 20, 2014, we took delivery of our vessel M/T *Eships Taweelah.* We financed the payment of the final installment for the vessel by entering into a credit facility with Alpha Bank of Greece for an amount of $20.1 million on June 19, 2014 and from the proceeds of the public equity offering. The facility is repayable in 20 consecutive semi-annual installments of $0.7 million each plus a balloon installment of $6.0 million payable together with the last installment. The facility bears interest at a rate of LIBOR + 3.75% per annum. The facility is secured by, among other things, (i) a first priority mortgage over the vessel, (ii) a general assignment of the earnings of the vessel and a specific assignment of any time charter with duration of more than 12 months, (iii) a pledge of the shares of the ship owning subsidiary, (iv) our corporate guarantee, and (v) a pledge of the earnings account. The facility includes customary restrictive covenants and financial covenants, including (i) an asset cover ratio of 125%, (ii) a ratio of EBITDA to net interest expenses of not less than 2:1, (iii) a ratio of total debt to market-adjusted total assets of not more than 70%, (iv) minimum free liquidity of $1.0 million, (v) restrictions on the Borrower incurring further indebtedness or guarantees and (vi) restrictions on the payment of dividends by us and the Borrower.

Corporate Structure

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.

As of the date of this prospectus, a wholly-owned subsidiary of Top Ships Inc. owns M/T *Eships Taweelah*, and wholly-owned subsidiaries of Top Ships Inc. incorporated in the Marshall Islands are party to the shipbuilding contracts for the construction of Hulls S407, S418, S419, S414 and S417.

CSM will perform all vessel operational, technical and commercial functions for us, including the chartering of our fleet, as well as newbuilding supervision and accounting, reporting and administrative services.

The current address of our principal executive office is 1 Vas. Sofias and Meg. 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. The information contained on our website does not constitute part of this prospectus.

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RISK FACTORS

An investment in our common shares involves a high degree of risk and uncertainty. You should carefully consider the risks described below and discussed under the caption Risk Factors in our Annual Report on Form 20-F for the year ended December 31, 2013, filed with the SEC on February 14, 2014 and incorporated by reference herein, as well as the other information included in this prospectus and the other documents we have incorporated by reference in this prospectus, including the section entitled Risk Factors in future Annual Reports before deciding to invest in our common shares. If any of the risks occur, our business, financial conditions or results of operations may be materially and adversely affected. In that event, the trading price of our securities could decline, and you could lose all or part of your investment. This prospectus also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in the forward-looking statements as a result of the risks below.

Newbuilding projects are subject to risks that could cause delays.

We have entered into shipbuilding contracts for five newbuilding vessels scheduled to be delivered from Hyundai Mipo Dockyard Co., Ltd. between the first quarter of 2015 and the third quarter of 2016. Newbuilding construction projects are subject to risks of delay inherent in any large construction project from numerous factors, including shortages of equipment, materials or skilled labor, unscheduled delays in the delivery of ordered materials and equipment or shipyard construction, failure of equipment to meet quality and/or performance standards, financial or operating difficulties experienced by equipment vendors or the shipyard, unanticipated actual or purported change orders, inability to obtain required permits or approvals, design or engineering changes and work stoppages and other labor disputes, adverse weather conditions, bankruptcy or other financial crisis of the shipyard, a backlog of orders at the shipyard, or any other events of force majeure. A yard s failure to complete the project on time may result in the delay of revenue from the vessel. Any such failure or delay could have a material adverse effect on our operating results as we will continue to incur other costs to operate our business.

If we are unable to obtain financing required to complete payments on our newbuildings, we may lose all or a portion of the payments previously made.

We have remaining contractual commitments for the acquisition of the six newbuilding vessels of our fleet totaling approximately $158.1 million as of March 31, 2014, of which $40.2 million is payable in 2014 (including $27.4 million with respect to the M/T *Eships Taweelah* paid on delivery of the vessel in June 2014), $51.4 million in 2015 and $66.4 million in 2016. We had, as of March 31, 2014, a cash balance of $4.1 million to fund these newbuilding vessels and other newbuilding or secondhand purchases. To fund the delivery installments for Hulls S407, S418, S419, S414, S417, and to acquire further vessels, we will be required to use cash or incur borrowings or raise capital through the sale of additional equity securities. Our ability to obtain bank financing or to access the capital markets for future offerings may be limited by our financial condition at the time of any such financing or offering as well as by adverse market conditions resulting from, among other things, general economic conditions and contingencies and uncertainties that are beyond our control. If we are not able to borrow additional funds, raise other capital or utilize available cash on hand, we may not be able to take delivery of our contracted newbuildings or acquire other newbuilding or secondhand vessels, which could have a material adverse effect on our business, financial condition, results of operations and cash flows. If for any reason we fail to make a payment when due, which may result in a default under our construction contracts, or otherwise fail to take delivery of a vessel, we would be prevented from realizing potential revenues from this vessel, which could have a material adverse effect on our business, results of operations and financial condition. Additionally, we could also lose all or a portion of our payments to the shipyard for the contracts that were paid by us and we could be liable for penalties and damages under such contracts. Even if we are successful in obtaining necessary funds, incurring additional debt may significantly increase our interest expense and financial leverage, which could limit our financial flexibility and ability to pursue other business opportunities.

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Due to market conditions, we may sell our newbuilding vessels at a loss or incur impairment charges.

We have taken delivery of one newbuilding vessel and have entered into shipbuilding contracts for five newbuilding vessels scheduled to be delivered from Hyundai Mipo Dockyard Co., Ltd. between the first quarter of 2015 and the third quarter of 2016. Since the summer of 2008, vessel values in the tanker industry have been very volatile.

The fair market value of our vessels may increase and decrease depending on the following factors:

- general economic and market conditions affecting the international tanker shipping industry;
- prevailing level of charter rates;
- competition from other shipping companies;
- types, sizes and ages of vessels;
- other modes of transportation;
- supply and demand for vessels;
- cost of newbuildings;
- price of steel;
- governmental or other regulations; and
- technological advances.

If we sell any vessel at a time when vessel prices have fallen, the sale price may be less than the vessel s carrying amount in our financial statements, in which case we will realize a loss. Vessel prices can fluctuate significantly, and in the case where the market value falls below the carrying amount we will evaluate the asset for a potential impairment adjustment and may be required to write down the carrying amount of the vessel in our financial statements and incur a loss and a reduction in earnings, if the estimate of undiscounted cash flows, excluding interest charges, expected to be generated by the use of the asset is less than its carrying amount. For example, in the period from 2009 to 2013, as a result of declining vessel values, we recorded significant impairment charges and losses on the sale of vessels in an aggregate amount of approximately $212.8 million.

We expect to be dependent on a limited number of customers for a large part of our revenues, and failure of such counterparties to meet their obligations could cause us to suffer losses or negatively impact our results of operations and cash flows.

In the future we may enter into various contracts, including pooling arrangements, charter agreements, shipbuilding contracts and credit facilities. All of our revenues are currently derived from one charterer, Eships Tankers Ltd., and upon delivery of our five newbuildings under construction, unless we acquire additional vessels, we expect that the majority of our revenues will be derived from three charterers, BP Shipping Limited, Eships Tankers Ltd. and Dampskibsselskabet NORDEN A/S. Such 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. The combination of a reduction of cash flow resulting from declines in world trade, a reduction in borrowing bases under reserve-based credit facilities and the lack of availability of debt or equity financing may result in a significant reduction in the ability of charterers to make charter payments to us. In addition, in depressed market conditions, charterers and customers may no longer need a vessel that is then under charter or contract or may be able to obtain a comparable vessel at lower rates. As a result, charterers and customers may seek to renegotiate the terms of their existing charter agreements or avoid their obligations under those contracts. Should a counterparty fail to honor its 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.

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Our share price may continue to be highly volatile, which could lead to a loss of all or part of a shareholder s investment.

The market price of our common shares has fluctuated widely since our common shares began trading in July of 2004 on the Nasdaq National Market, now the Nasdaq Global Select Market, which we refer to as Nasdaq. Over the last few years, the stock market has experienced price and volume fluctuations. This volatility has sometimes been unrelated to the operating performance of particular companies. During 2013, the closing price of our common shares experienced a high of $16.80 on July 29, 2013 and a low of $5.18 on March 11, 2013, and our common shares traded at $2.22 on June 26, 2014. On August 21, 2012, we received a notification of deficiency from Nasdaq stating that market value of our publicly-held shares fell below certain minimum requirements for listing on the Nasdaq Global Select Market, with a grace period of 180 calendar days to regain compliance. Nasdaq has since notified us that we regained compliance within the applicable grace period. In addition, because the market price of our common shares has dropped below $5.00 per share, brokers generally prohibit shareholders from using such shares as collateral for borrowing in margin accounts. This inability to continue to use our common shares as collateral may lead to sales of such shares creating downward pressure on and increased volatility in the market price of our common shares. Furthermore, if the volatility in the market continues or worsens, it could have a further adverse affect on the market price of our common shares, regardless of our operating performance.

The market price of our common shares is due to a variety of factors, including:

- fluctuations in interest rates;
- fluctuations in the availability or the price of oil;
- fluctuations in foreign currency exchange rates;
- announcements by us or our competitors;
- changes in our relationships with customers or suppliers;
- actual or anticipated fluctuations in our semi-annual and annual results and those of other public companies in our industry;
- changes in United States or foreign tax laws;
- actual or anticipated fluctuations in our operating results from period to period;
- shortfalls in our operating results from levels forecast by securities analysts;

- market conditions in the shipping industry and the general state of the securities markets;
- mergers and strategic alliances in the shipping industry;
- changes in government regulation;
- a general or industry-specific decline in the demand for, and price of, our common shares resulting from capital market conditions independent of our operating performance;
- the loss of any of our key management personnel; and
- our failure to successfully implement our business plan.

There may not be a continuing public market for you to resell our common shares.

Our common shares began trading in July of 2004 on the Nasdaq National Market, and our common shares currently trade on the Nasdaq Global Select Market; however, an active and liquid public market for our common shares may not 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. As noted above, on August 21, 2012, we received a notification of deficiency from Nasdaq stating that market value of our publicly-held shares fell below certain minimum requirements for listing on the Nasdaq Global Select Market, with a grace period of 180 calendar days to regain compliance. Nasdaq has since notified us that we regained compliance within the applicable grace period.

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Further, lack of trading volume in our stock may affect investors ability to sell their shares. Our common shares have been experiencing low daily trading volumes in the market. As a result, an investor may be unable to sell all of such investor s shares in the desired time period, or may only be able to sell such shares at a significant discount to the previous closing price.

We may issue additional common shares or other equity securities without your approval, which would dilute your ownership interests and may depress the market price of our common shares.

We have authorized 1,000,000,000 shares for issuance, and 18,969,989 common shares are issued and outstanding as of the date of this prospectus. We may issue additional common shares or other equity securities of equal or senior rank in the future in connection with, among other things, future vessel acquisitions, repayment of outstanding indebtedness, or our equity incentive plan, without shareholder approval, in a number of circumstances. Our existing shareholders may experience significant dilution if we issue shares in the future at prices significantly below the price at which previous shareholders invested.

We have outstanding warrants to purchase up to 5,330,000 common shares issued in a public offering in June 2014. The warrants have an exercise price of $2.50 per share, are exercisable immediately, and will expire five years from the date of issuance. The exercise price is subject to adjustment in the event of sales of our common shares at a price per share less than the exercise price then in effect (or securities convertible or exercisable into common shares at a conversion or exercise price less than the exercise price then in effect). In addition, the exercise price and the number of shares issuable upon exercise are subject to adjustment in the event of certain stock dividends and distributions, stock splits, stock combinations, reclassifications or similar events affecting our common shares, and also upon any distributions of assets, including cash, stock or other property to our stockholders.

Our issuance of additional common shares or other equity securities of equal or senior rank could have the following additional effects:

- our existing shareholders proportionate ownership interest in us will decrease;
- decrease our earnings per share if we become profitable;
- the amount of cash available for dividends payable on our common shares may decrease;
- the relative voting strength of each previously outstanding common share may be diminished; and
- the market price of our common shares may decline.

In addition, future sales of our common shares or other securities in the public markets, or the perception that these sales may occur, could cause the market price of our common shares to decline, and could materially impair our ability to raise capital through the sale of additional securities.

Evangelos J. Pistiolis, our President, Chief Executive Officer and Director indirectly holds approximately 40.1% of our common shares and has the power to exert control over us, which may limit your ability to influence our

actions.

As of the date of this prospectus, Sovereign Holdings Inc., or Sovereign, Epsilon Holdings Inc, Oscar Shipholding Ltd and Race Navigation Inc., companies that are wholly-owned by our President, Chief Executive Officer and Director, Evangelos J. Pistiolis, own approximately 40.1% of our outstanding common shares. In addition, Race Navigation Inc. holds 1,250,000 warrants to purchase common shares at an exercise price of $2.50 per common share. Due to the number of shares he indirectly holds, Mr. Pistiolis, through Sovereign, Epsilon Holdings Inc, Oscar Shipholding Ltd and Race Navigation Inc., has the power to exert control over our actions and to effectively control the outcome of matters on which our shareholders are entitled to vote, including the election of our directors and other significant corporate actions. The interests of this stockholder may be different from your interests.

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CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This prospectus 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, could 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.

The forward-looking statements in 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 ma