

Edgar Filing: Seanergy Maritime Holdings Corp. - Form 6-K

Seanergy Maritime Holdings Corp.  
Form 6-K  
December 04, 2018

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

Report of Foreign Private Issuer  
Pursuant to Rule 13a-16 or 15d-16 of  
the Securities Exchange Act of 1934

For the month of December 2018

Commission File Number: 001-34848

SEANERGY MARITIME HOLDINGS CORP.  
(Translation of registrant's name into English)

154 Vouliagmenis Avenue  
166 74 Glyfada  
Athens, Greece  
(Address of principal executive office)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F:

Form 20-F  Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1): \_\_\_\_

Note: Regulation S-T Rule 101(b)(1) only permits the submission in paper of a Form 6-K if submitted solely to provide an attached annual report to security holders.

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7): \_\_\_\_

Note: Regulation S-T Rule 101(b)(7) only permits the submission in paper of a Form 6-K if submitted to furnish a report or other document that the registrant foreign private issuer must furnish and make public under the laws of the jurisdiction in which the registrant is incorporated, domiciled or legally organized (the registrant's "home country"), or under the rules of the home country exchange on which the registrant's securities are traded, as long as the report or other document is not a press release, is not required to be and has not been distributed to the registrant's security

holders, and, if discussing a material event, has already been the subject of a Form 6-K submission or other Commission filing on EDGAR.

---

INFORMATION CONTAINED IN THIS FORM 6-K REPORT

Attached to this Report on Form 6-K as Exhibit 99.1 is Management's Discussion and Analysis of Financial Condition and Results of Operations and the Unaudited Interim Consolidated Financial Statements of Seanergy Maritime Holdings Corp. (the "Company") for the nine months ended September 30, 2018.

Attached to this Report on Form 6-K as Exhibit 101 is the following financial information from the Company's Unaudited Interim Consolidated Financial Statements for the nine months ended September 30, 2018, formatted in Extensible Business Reporting Language (XBRL): (i) Consolidated Balance Sheets as of September 30, 2018 (unaudited) and December 31, 2017; (ii) Unaudited Interim Consolidated Statement of Loss for the nine-month periods ended September 30, 2018 and 2017; (iii) Unaudited Interim Consolidated Statements of Stockholders' Equity for the nine-month periods ended September 30, 2018 and 2017; (iv) Unaudited Interim Consolidated Statements of Cash Flows for the nine-month periods ended September 30, 2018 and 2017; and (v) Notes to Unaudited Interim Consolidated Financial Statements.

This Report on Form 6-K and the exhibits hereto are hereby incorporated by reference into the Company's Registration Statements on Form F-3 (File Nos. 333-226796, 333-166697, 333-169813 and 333-214967).

---

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

SEANERGY MARITIME HOLDINGS  
CORP.  
(Registrant)

Dated: December 4, 2018

/s/ Stamatios Tsantanis  
By: Stamatios Tsantanis  
Chief Executive Officer

---

EXHIBIT 99.1

Forward-Looking Statements

This report contains 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 report 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, 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 service our indebtedness;
- 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 our third-party managers, V.Ships Limited, our technical manager, and Fidelity Marine Inc., our commercial manager;

· 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;

· 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, including our most recent annual report on Form 20-F. 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 materially 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.

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following management's discussion and analysis should be read in conjunction with our unaudited interim consolidated financial statements and related notes included herein. Unless the context indicates otherwise, references to the "Company", "we" or "our" include Seanergy Maritime Holdings Corp. and its subsidiaries. This discussion contains forward-looking statements that reflect our current views with respect to future events and financial performance. Our actual results may differ materially from those anticipated in these forward-looking statements.

### Operating Results

#### Factors Affecting our Results of Operations Overview

We are an international shipping company specializing in the worldwide seaborne transportation of drybulk commodities. We currently operate a modern fleet of ten dry bulk carriers, all Capesizes, with a combined cargo-carrying capacity of approximately 1,748,581 dwt and an average fleet age of about 9.7 years.

#### Important Measures for Analyzing Results of Operations

We use a variety of financial and operational terms and concepts. These include the following:

**Ownership days.** Ownership days are the total number of calendar days in a period during which we owned or chartered in on bareboat basis each vessel in our fleet. Ownership days are an indicator of the size of our fleet over a period and affect both the amount of revenues and the amount of expenses recorded during that period.

**Available days.** Available days are the number of ownership days less the aggregate number of days that our vessels are off-hire due to major repairs, dry-dockings, lay-up or special or intermediate surveys. The shipping industry uses available days to measure the aggregate number of days in a period during which vessels are available to generate revenues.

**Operating days.** Operating days are the number of available days in a period less the aggregate number of days that our vessels are off-hire due to unforeseen circumstances. Operating days include the days that our vessels are in ballast voyages without having fixed their next employment. The shipping industry uses operating days to measure the aggregate number of days in a period during which vessels could actually generate revenues.

**Fleet utilization.** Fleet utilization is the percentage of time that our vessels were generating revenues, and is determined by dividing operating days by ownership days for the relevant period.

**Off-hire.** The period a vessel is not being chartered or is unable to perform the services for which it is required under a charter.

**Dry-docking.** We periodically dry-dock each of our vessels for inspection, repairs and maintenance and any modifications to comply with industry certification or governmental requirements.

**Time charter.** A time charter is a contract for the use of a vessel for a specific period of time (period time charter) or for a specific voyage (trip time charter) during which the charterer pays substantially all of the voyage expenses, including port charges, bunker expenses, canal charges and other commissions. The vessel owner pays the vessel operating expenses, which include crew costs, provisions, deck and engine stores and spares, lubricants, insurance, maintenance and repairs. The vessel owner is also responsible for each vessel's dry-docking and intermediate and special survey costs. Time charter rates are usually fixed during the term of the charter. Prevailing time charter rates do fluctuate on a seasonal and year-to-year basis and may be substantially higher or lower from a prior time charter agreement when the subject vessel is seeking to renew the time charter agreement with the existing charterer or enter into a new time charter agreement with another charterer. Fluctuations in time charter rates are influenced by changes in spot charter rates.

**Bareboat charter.** A bareboat charter is generally a contract pursuant to which a vessel owner provides its vessel to a charterer for a fixed period of time at a specified daily rate. Under a bareboat charter, the charterer assumes responsibility for all voyage and vessel operating expenses and risk of operation.

**Voyage charter.** A voyage charter is generally a contract to carry a specific cargo from a load port to a discharge port for an agreed-upon total amount. Under voyage charters, voyage expenses, such as port charges, bunker expenses, canal charges and other commissions, are paid by the vessel owner, who also pays vessel operating expenses.

**TCE.** Time charter equivalent, or TCE, rate is defined as our net revenue less voyage expenses during a period divided by the number of our operating days during the period. Voyage expenses include port charges, bunker expenses, canal charges and other commissions.

#### Principal Factors Affecting Our Business

The principal factors that affect our financial position, results of operations and cash flows include the following:

- number of vessels owned and operated;
- voyage charter rates;
- time charter trip rates;
- period time charter rates;
- the nature and duration of our voyage and time charters;
- vessels repositioning;
- vessel operating expenses and voyage costs;
- maintenance and upgrade work;
- the age, condition and specifications of our vessels;
- issuance of our common shares and other securities;
- amount of debt obligations; and
- financing costs related to debt obligations.

We are also affected by the types of charters we enter into. Vessels operating on period time charters and bareboat time charters provide more predictable cash flows, but can yield lower profit margins than vessels operating in the spot charter market, either on trip time charters or voyage charters, during periods characterized by favorable market conditions.

Vessels operating in the spot charter market generate revenues that are less predictable, but can yield increased profit margins during periods of improvements in drybulk rates. Spot charters also expose vessel owners to the risk of declining drybulk rates and rising fuel costs in case of voyage charters. All of our vessels in the nine month periods ended September 30, 2018 and 2017 operated in the spot charter market, except for (i) the Lordship which was employed in June 2017 on a time charter for a period of about 18 months to about 22 months, (ii) the Partnership which was employed in June 2017 on a time charter for a period of about 12 months to about 18 months (iii) the Guardianship which was employed in June 2018 on a time charter for a period of about minimum 5 months to about 7 months and (iv) the Gladiatorship which was employed in May 2018 on a short-term time charter for a period of about 4 months to about 6 months.



Results of Operations

Nine months ended September 30, 2018 as compared to nine months ended September 30, 2017

(In thousands of U.S. Dollars, except for share and per share data)

	Nine months ended		Change		
	September 30,	September 30,	Amount	%	
	2018	2017			
Revenues:					
Vessel revenue, net	64,529	50,545	13,984	28	%
Expenses:					
Voyage expenses	(27,188 )	(26,084 )	(1,104 )	4	%
Vessel operating expenses	(15,276 )	(14,049 )	(1,227 )	9	%
Management fees	(792 )	(752 )	(40 )	5	%
General and administrative expenses	(4,547 )	(3,298 )	(1,249 )	38	%
Depreciation and amortization	(8,789 )	(8,384 )	(405 )	5	%
Impairment loss	(6,878 )	-	(6,878 )	-	
Operating income/ (loss)	1,059	(2,022 )	3,081	152	%
Other expenses:					
Interest and finance costs	(18,869 )	(12,440 )	(6,429 )	52	%
Gain on debt refinancing	-	11,392	(11,392)	(100)	%
Other, net	(73 )	(27 )	(46 )	170	%
Total other expenses, net:	(18,942 )	(1,075 )	(17,867)	1,662	%
Net loss before income taxes	(17,883 )	(3,097 )	(14,786)	477	%
Income taxes	11	(22 )	33	(150)	%
Net loss	(17,872 )	(3,119 )	(14,753)	473	%
Net loss per common share, basic	(0.48 )	(0.09 )			
Weighted average number of common shares outstanding, basic	36,974,075	35,591,170			

Vessel Revenue, Net - The increase was attributable to the increase in prevailing charter rates and the increase in operating days. We had 2,988 operating days in the first nine months of 2018 as compared to 2,834 operating days in the first nine months of 2017. We acquired an additional Capesize vessel in May 2017. The TCE rate increased for the nine month period ended September 30, 2018 by 45% to \$12,497 compared to \$8,631 for the nine month period ended September 30, 2017. TCE rate is a non-GAAP measure. Please see the reconciliation below of TCE rate to net revenues from vessels, the most directly comparable U.S. GAAP measure.

Voyage Expenses - The increase was attributable to the increase in ownership days. We had 3,003 ownership days in the first nine months of 2018 as compared to 2,852 ownership days in the first nine months of 2017. We acquired an additional Capesize vessel in May 2017.

Vessel Operating Expenses - The increase was mainly attributable to the increase in ownership days. We had 3,003 ownership days in the first nine months of 2018 as compared to 2,852 ownership days in the first nine months of 2017. We acquired an additional Capesize vessel in May 2017.

Management Fees - The increase was attributable to the increase in ownership days. We had 3,003 ownership days in the first nine months of 2018 as compared to 2,852 ownership days in the first nine months of 2017. We acquired an additional Capesize vessel in May 2017.

General and Administrative Expenses – The increase is mainly attributable to \$1.2 million of stock based compensation amortization in the first nine months of 2018 for shares granted pursuant to our 2011 Equity Incentive Plan and to others, compared to \$0.6 million of respective stock based compensation amortization in the first nine months of 2017.

Depreciation and Amortization – The increase was attributable to the increase in ownership days. We had 3,003 ownership days in the first nine months of 2018 as compared to 2,852 ownership days in the first nine months of 2017. We acquired an additional Capesize vessel in May 2017.

Impairment Loss – The impairment loss relates to two vessels classified as "Vessels Held for Sale" as of September 30, 2018.

5

---

Interest and Finance Costs - The increase was primarily attributable to the ATB loan facility entered into in May 2017, the May 24, 2017 loan facility entered into with Jelco Delta Holding Corp., or Jelco, a company affiliated with Claudia Restis, who is our principal shareholder, or Sponsor, the new convertible note with Jelco entered into in September 2017 and the April 10, 2018 Jelco loan facility. The weighted average interest rate on our outstanding debt and convertible promissory notes for the nine months ended 2018 and 2017 was approximately 7.52% and 5.54%, respectively.

#### Performance Indicators

The figures shown below are non-GAAP statistical ratios used by management to measure performance of our vessels. For the "Fleet Data" figures, there are no comparable U.S. GAAP measures.

	Nine months ended September 30,	
	2018	2017
Fleet Data:		
Ownership days	3,003	2,852
Available days(1)	2,994	2,839
Operating days(2)	2,988	2,834
Fleet utilization	99.5 %	99.4 %

#### Average Daily Results:

TCE rate(3)	\$12,497	\$8,631
Daily Vessel Operating Expenses(4)	\$5,087	\$4,806

(1) During the nine months ended September 30, 2018, we incurred nine off-hire days for one vessel survey. During the nine months ended September 30, 2017, we incurred 13 off-hire days for one vessel survey.

During the nine months ended September 30, 2018, we incurred 6 off-hires days due to other unforeseen (2) circumstances. During the nine months ended September 30, 2017, we incurred 5 off-hires days due to other unforeseen circumstances.

We include TCE rate, a non-GAAP measure, as we believe it provides additional meaningful information in conjunction with net revenues from vessels, the most directly comparable U.S. GAAP measure, because it assists (3) our management in making decisions regarding the deployment and use of our vessels and in evaluating their financial performance. Our calculation of TCE rate may not be comparable to that reported by other companies.

The following table reconciles our net revenues from vessels to TCE rate.

	Nine months ended September 30,	
	2018	2017
Net revenues from vessels	\$64,529	\$50,545
Voyage expenses	(27,188)	(26,084)
Net operating revenues	\$37,341	\$24,461
Operating days	2,988	2,834
Daily time charter equivalent rate	\$12,497	\$8,631

(4) Vessel operating expenses include crew costs, provisions, deck and engine stores, lubricants, insurance, maintenance and repairs. Daily Vessel Operating Expenses are calculated by dividing vessel operating expenses by ownership days for the relevant time periods. The following table reconciles the Company's vessel operating expenses to the daily vessel operating expenses.

Nine months ended  
September 30,  
2018 2017

(In thousands of US Dollars, except ownership days and Daily Vessel Operating Expenses)

Vessel operating expenses	\$15,276	\$14,049
Less: Pre-delivery expenses	-	343
Vessel operating expenses before pre-delivery expenses	15,276	13,706
Ownership days	3,003	2,852
Daily Vessel Operating Expenses	\$5,087	\$4,806

6

---

## EBITDA

	Nine months ended September 30,	
	2018	2017
EBITDA reconciliation:		
Net loss	(17,872)	(3,119)
Add: Net interest expense	18,860	12,431
Add: Depreciation and amortization	8,789	8,384
Add: Taxes	(11 )	22
EBITDA(1)	9,766	17,718
Add: Impairment loss	6,878	-
Less: Gain on debt refinancing	-	11,392
Adjusted EBITDA (1)	16,644	6,326

(1) Earnings before interest, taxes, depreciation and amortization ("EBITDA") represents the sum of net income/(loss), interest and finance costs, interest income, depreciation and amortization and, if any, income taxes during a period. EBITDA is not a recognized measurement under U.S. GAAP. EBITDA is presented as we believe that this measure is useful to investors as a widely-used means of evaluating operating profitability. EBITDA as presented here may not be comparable to similarly-titled measures presented by other companies. This non-GAAP measure should not be considered in isolation from, as a substitute for, or superior to, financial measures prepared in accordance with U.S. GAAP.

## Liquidity and Capital Resources

Our principal source of funds has been our operating cash flows, long-term borrowings from banks and our Sponsor, and equity provided by the capital markets and our Sponsor. Our principal use of funds has primarily been capital expenditures to establish our fleet, maintain the quality of our drybulk vessels, comply with international shipping standards and environmental laws and regulations, fund working capital requirements and make principal repayments and interest payments on our outstanding debt obligations.

Our funding and treasury activities are conducted in accordance to corporate policies to maximize investment returns while maintaining appropriate liquidity for both our short and long term needs. This includes arranging borrowing facilities on a cost-effective basis. Cash and cash equivalents are held primarily in U.S. dollars, with minimal amounts held in Euros.

As of September 30, 2018, we had cash and cash equivalents of \$5.2 million, as compared to \$8.9 million as of December 31, 2017.

Working capital is equal to current assets minus current liabilities, including the current portion of long-term debt. As of September 30, 2018, we had a working capital deficit of \$7.4 million as compared to a deficit of \$15 million as of December 31, 2017. Our working capital was primarily affected by the re-classification of \$9.7 million of our borrowings with Jelco to current liabilities from non-current liabilities as of December 31, 2017 due to the proximity of the underlying maturities offset by a \$22.7 million classification of the Gladiatorship and the Guardianship to "Vessels held for sale" under current assets.

Our short term liquidity commitments, as of September 30, 2018, primarily relate to debt and interest repayments of approximately \$49.1 million under our credit facilities and convertible promissory notes due by September 30, 2019. We expect to fund these commitments with cash on hand and cash inflows from operations, as our cash flow projections indicate that cash on hand and cash to be provided by operating activities, based on current and projected charter rates for the next twelve months, will be sufficient to cover the liquidity needs that become due in the twelve-month period ending one year after September 30, 2018.

Our long-term liquidity commitments primarily relate to the repayment of our long-term debt balances under our credit facilities and convertible promissory notes issued to Jelco. Please see "– Description of Indebtedness." We expect to fund these commitments with cash on hand, refinancing of existing financing arrangements and/or public and private debt and equity transactions in the capital markets.

As of September 30, 2018, we had total indebtedness under our credit facilities of \$213.7 million, excluding unamortized financing fees, as compared to \$213.8 million as of December 31, 2017.

#### Cash Flows

	Nine months ended September 30,	
	2018	2017
Cash Flow Data:		
Net cash used in operating activities	(218 )	(2,475 )
Net cash used in investing activities	(3,495)	(32,756)
Net cash (used in) / provided by financing activities	(2,084)	30,221

Nine months ended September 30, 2018 as compared to nine months ended September 30, 2017

**Operating Activities:** Net cash used in operating activities amounted to \$0.2 million for the nine month period ended September 30, 2018, consisting of net gain after non-cash items of \$1.8 million plus a decrease in working capital of \$2.0 million. Net cash used in operating activities amounted to \$2.5 million for the nine month period ended September 30, 2017, consisting of net loss after non-cash items of \$3.8 million plus an increase in working capital of \$1.3 million.

**Investing Activities:** The 2018 cash outflow is mainly due to advances for acquisition of vessels and capitalized expenditures of office space and equipment. The 2017 cash outflow resulted from the acquisition of our Partnership in May 2017.

**Financing Activities:** The 2018 cash inflow resulted from proceeds of \$24.5 million obtained from the Wilmington Trust loan facility dated June 11, 2018, proceeds of \$18.6 million obtained from the Hanchen Limited sale and leaseback transaction in June 2018 for the Knightship and proceeds of \$2 million obtained from the Jelco loan facility dated May 24, 2017. The 2018 cash inflow was offset by debt repayments of: \$32 million with respect to the Northern Shipping Funds, or NSF, loan facility, \$3.1 million with respect to the UniCredit loan facility, \$6.1 million with respect to the HSH loan facility, \$1.2 million with respect to the ATB loan facility, \$0.5 million with respect to the Hanchen Limited financial liability, \$0.2 million with respect to the Wilmington Trust loan facility, \$0.8 million with respect to the March 2015 Alpha Bank loan facility, \$2.5 million with respect to the November 2015 Alpha Bank loan facility and \$0.6 million loan finance fees payments in respect with the loan amendments. The 2017 cash inflow resulted from proceeds of \$34.5 million obtained from the ATB loan facility, proceeds of \$16.2 million obtained from the Jelco loan facility dated May 24, 2017, proceeds of \$9 million obtained from convertible promissory note to Jelco dated September 27, 2017 and proceeds of \$2.7 million from common stock issuances. The 2017 cash inflow was offset by debt repayments of: \$28 million with respect to the Natixis loan facility, \$1.6 million with respect to the UniCredit loan facility, \$1.1 million with respect to the HSH loan facility, \$0.6 million with respect to the ATB loan facility, \$0.5 million with respect to the March 2015 Alpha Bank loan facility and \$0.6 million loan finance fees payments.

#### Description of Indebtedness

##### Credit Facilities

##### March 2015 Alpha Bank A.E. Loan Facility

On March 6, 2015, we entered into a \$8.75 million secured floating interest rate loan facility with Alpha Bank A.E. to partly finance the acquisition of the Leadership. On December 23, 2015, July 28, 2016 and June 29, 2018, we and Alpha Bank A.E. entered into a first, second and third supplemental agreement, respectively, to the facility agreement. As amended, to date, the facility bears interest at LIBOR plus a margin of 3.75% and is repayable in six installments

of \$0.25 million each, with a final balloon payment of \$4.45 million due on March 17, 2020. The borrower under the facility is our applicable vessel-owning subsidiary and the facility is guaranteed by Seanergy Maritime Holdings Corp. The facility is secured by a first preferred mortgage over the vessel, a general assignment covering earnings, insurances, charter parties and requisition compensation, an account pledge agreement and technical and commercial managers' undertakings. The facility also imposes certain operating and financing covenants. Certain of these covenants may significantly limit or prohibit, among other things, the borrower's ability to incur additional indebtedness, create liens, sell capital shares of subsidiaries, engage in mergers, or sell the vessel without the consent of the relevant lenders. Certain other covenants require ongoing compliance. On a consolidated basis, we are required to (i) maintain a corporate leverage ratio, as defined in the loan agreement, that will not be (a) at the end of December 31, 2018 higher than 0.85:1.0, the compliance with such obligation to be tested on each financial semester starting from July 1, 2018; (b) on March 31, 2019 higher than 0.80:1.0 and (c) starting from June 1, 2019 and at the end of each accounting period higher than 0.75:1.0, (ii) from July 1, 2018 the consolidated interest cover ratio (EBITDA to Net Interest Expense) shall not be (a) until and including the 31, March 2019, lower than 1.2:1 and (b) as from April 1, 2019 until the expiration of the Security Period, lower than 2:1, and (iii) liquidity in a specified amount. In addition, from July 1, 2017, the borrower shall ensure that the market value of the vessel plus any additional security to total facility outstanding shall not be less than 125%. The lender may accelerate the maturity of the facility and foreclose upon the collateral securing the indebtedness upon the occurrence of certain events of default, including a failure to comply with any of the covenants contained in the facility. The facility also restricts our ability to distribute dividends in excess of 50% of our net income except if our cash and marketable securities are equal or greater than the amount required to meet our debt service for the following eighteen-month period. Pursuant to the second supplemental agreement, the four installments falling due after the date of such supplemental agreement were reduced by \$0.6 million in total. Such amount was added to the balloon installment, and 80% of the Leadership's excess earnings (as defined in the loan agreement) during each financial year starting from 2016, shall be applied by Alpha Bank towards payment of the deferred amount until same is fully repaid. As of September 30, 2018, \$0.1 million was paid against the deferred amount and \$5.95 million was outstanding under the facility, excluding the unamortized financing fees.

#### HSH Nordbank AG Loan Facility

On September 1, 2015, we entered into a \$44.4 million senior secured loan facility with HSH Nordbank AG to finance the acquisition of the Geniuship and the Gloriuship. The facility was made available in two advances. On October 13, 2015, we drew the first advance of \$27.6 million in order to finance the acquisition of the Geniuship. On November 3, 2015, we drew the second advance of \$16.8 million in order to finance the acquisition of the Gloriuship. On May 16, 2016 and February 23, 2017, we and HSH Nordbank AG entered into supplemental letter agreements to the facility agreement and related guarantee. On March 28, 2018, we and HSH entered into an amendment to the facility agreement. As amended, to date, the facility bears interest at LIBOR plus a margin of 3.75% and is repayable in seven consecutive quarterly installments of \$1.0 million each with a final balloon payment of \$28.8 million due on June 30, 2020. A mandatory prepayment of \$3 million which had been deferred to June 30, 2018 was paid on July 2, 2018. The borrowers under the facility are our two applicable vessel-owning subsidiaries and the facility is guaranteed by Seanergy Maritime Holdings Corp. The facility is secured by a first priority mortgage over each of the vessels, a general assignment covering earnings, charter parties, insurances and requisition compensation for each of the vessels, an earnings account pledge agreement for each of the vessels, technical and commercial managers' undertakings, a shares security deed of the two borrowers' shares and a master agreement assignment. The facility also imposes certain operating and financing covenants.

Certain of these covenants may significantly limit or prohibit, among other things, the borrowers' ability to incur additional indebtedness, sell capital shares of subsidiaries, make certain investments, engage in mergers and acquisitions, or sell the vessels without the consent of the relevant lenders. Certain other covenants require ongoing compliance, including requirements that we, on a consolidated basis, maintain (i) from June 30, 2018 until the period ending December 31, 2018, a percentage ratio of Total Debt less Cash and Cash Equivalents divided by Total Assets that does not exceed 85%, no more than 80% during the period commencing on January 1, 2019 and ending on March 31, 2019 and no more than 75% thereafter, (ii) from June 30, 2018 until March 31, 2019, a ratio of EBITDA to net interest expense that is not less than 1.2:1 and no less than 2 times thereafter and (iii) liquidity in a specified amount. In addition, the borrowers shall ensure that the market value of the Geniuship and the Gloriuship plus any additional security to the total facility outstanding shall be more than 100% at any time during the period commencing on October 1, 2018 and ending on March 31, 2019 (inclusive), more than 111% at any time during the period commencing on April 1, 2019 and ending on September 30, 2019 (inclusive) and more than 120% at all times thereafter. The facility also places a restriction on the borrowers' ability to distribute dividends to Seanergy Maritime Holdings Corp., in case the market values of the Geniuship and the Gloriuship plus any additional security is less than 145% of the total facility outstanding. As of September 30, 2018, \$36.2 million was outstanding under the facility, excluding the unamortized financing fees.

#### UniCredit Bank AG Loan Facility

On September 11, 2015, we entered into a \$52.7 million secured term loan facility with UniCredit Bank AG to partly finance the acquisition of the Premiership, the Gladiatorship and the Guardianship (the "UniCredit Facility"). The loan was repayable in fifteen consecutive quarterly installments of \$1.6 million each, commencing on June 26, 2017, along with a balloon installment of \$29.4 million payable on the final maturity date, December 28, 2020. The loan bears interest of LIBOR plus a margin of 3.20% if the value to loan ratio is lower than 125%, 3.00% if the value to loan ratio is between 125% and 166.67% and 2.75% if the value to loan is higher than 166.67% with quarterly interest payments. The loan was secured by a first priority mortgage over the three vessels, a general assignment covering earnings, charter parties, insurances and requisition compensation for each of the vessels, an earnings account pledge agreement for each of the vessels, technical and commercial managers' undertakings, a shares security deed of the two borrowers' shares and a master agreement assignment. On June 3, 2016, the Company entered into the first supplemental agreement in order to split the margin into a cash portion and a capitalized portion. The capitalized portion of the margin was repaid in full as of June 30, 2017. On July 29, 2016, the Company further entered into the supplemental letter pursuant to which effective as of December 11, 2015, the requirement for Seanergy Maritime Holdings Corp., as guarantor, to maintain liquidity in a specified amount was delayed until July 1, 2017. On March 7, 2017, the Company reached an agreement with UniCredit Bank AG to (i) defer from June 30, 2017, to May 1, 2018, the security coverage requirement that the market value of the Premiership, the Gladiatorship and the Guardianship



plus any additional security to total facility outstanding and the cost, if any, of terminating any transactions entered into under the Hedging Agreement (as defined in the loan facility) would not be less than 120%, (ii) defer from September 30, 2017, to June 30, 2018, the requirement that the Company maintained a leverage ratio (as defined in the loan facility) that does not exceed 75%, and (iii) defer from September 30, 2017, to June 30, 2018, the requirement that the Company maintained a ratio of EBITDA to net interest expense (as defined in the loan facility) that is not less than 2:1. On September 25, 2017, the Company entered into a further supplemental letter in order to defer the installment due on September 25, 2017 to October 2, 2017. On April 30, 2018, the Company signed another supplemental letter with UniCredit Bank A.G. by which: i) the Leverage Ratio covenant was redefined to reflect the Group's Net Debt / total market value adjusted assets (excluding cash, cash equivalents & restricted cash) and the relevant threshold was amended to: no more than 85% during the period commencing on May 1, 2018 and ending on December 31, 2018, no more than 80% during the period commencing on January 1, 2019 and ending on March 31, 2019 and no more than 75% for the remaining part of the security period, ii) the ratio of EBITDA to net interest payments was amended to: not less than 1.2 times during the period commencing on May 1, 2018 and ending on March 31, 2019 and not less than 2:1 for the remaining part of the security period and iii) the security cover percentage requirement was amended as follows: not to be less than 100% during the period commencing on May 1, 2018 and ending on September 30, 2018, not to be less than 111% during the period commencing on October 1, 2018 and ending on June 30, 2019 and not to be less than 120% for the remaining part of the security period. As of September 30, 2018, \$44.9 million was outstanding under the facility, excluding the unamortized financing fees.

8

---

On October 10, 2018, the Company entered into a supplemental letter with UniCredit Bank A.G. with regard to the UniCredit Facility in order to, among other things, (i) defer an installment repayment of \$1.5 million due on September 25, 2018 to October 2018, (ii) agree to the sales of the Gladiatorship and the Guardianship and (iii) agree for the underlying loan amounts to remain blocked in the vessels' earnings accounts and instead of prepaying the loan to remain available to fund the acquisition of a new Capesize vessel subject to amending and restating the UniCredit Facility at the time of completion of the said acquisition. The installment deferred to October 2018 was paid on October 11, 2018 further to which, \$43.4 million was outstanding under the facility, excluding the unamortized financing fees.

On November 22, 2018, further to the sales of the Gladiatorship and the Guardianship and in order to partially fund the acquisition of the Fellowship, we amended and restated the UniCredit Facility (i) by releasing the respective vessel-owning subsidiaries of the two vessels as borrowers and (ii) by including the vessel-owning subsidiary of the Fellowship as a borrower under the facility. The first-priority mortgages over the Gladiatorship and the Guardianship and all other security relating to such vessels created in favor of UniCredit Bank A.G. under the UniCredit Facility were irrevocably and unconditionally released. The amendment and restatement of the facility did not alter the interest rate, the maturity date, the amortization and the repayment terms of the UniCredit Facility, or the financial covenants applicable to the Company as guarantor. The amended and restated loan facility is secured by first preferred mortgages and general assignments covering earnings, insurances and requisition compensation over the Premiership and the Fellowship, earnings account pledges, shares security deeds relating to the shares of both vessels' owning subsidiaries, technical and commercial managers' undertakings and, where applicable, charter assignments.

#### November 2015 Alpha Bank A.E. Loan Facility

On November 4, 2015, we entered into a \$33.8 million secured floating interest rate loan facility with Alpha Bank A.E. to partly finance the acquisition of the Squireship. On July 28, 2016 and June 29, 2018, we and Alpha Bank A.E. entered into a first and a second supplemental agreement to the facility agreement, respectively. As amended, to date, the facility bears interest at LIBOR plus a margin of 3.50% and is repayable in twelve consecutive quarterly installments of \$0.8 million each with a final balloon payment of \$20.3 million due on November 10, 2021. The borrower under the facility is our applicable vessel-owning subsidiary, and the facility is guaranteed by Seanergy Maritime Holdings Corp. and by Leader Shipping Co.. The facility is secured by a first preferred mortgage over the vessel and a second preferred mortgage over the Leadership, a general assignment covering earnings, insurances, charter parties and requisition compensation, an account pledge agreement and technical and commercial managers' undertakings. The facility also imposes certain operating and financing covenants. Certain of these covenants may significantly limit or prohibit, among other things, the borrower's ability to incur additional indebtedness, create liens, sell capital shares of subsidiaries, engage in mergers, or sell the vessel without the consent of the relevant lenders. Pursuant to the terms of the second supplemental agreement, i) the ratio of the market value of the Squireship plus any additional security to the total facility outstanding shall not be less than 100% as from April 1, 2019 until the March 31, 2020, shall not be less than 111% starting from April 1, 2020 until March 31, 2021 and shall not be less than 125% from April 1, 2021 until the end of the security period, ii) the consolidated interest cover ratio (EBITDA to Net Interest Expense) shall not be (a) until and including March 31, 2019 lower than 1.2:1, the compliance with such obligation to be tested on each financial semester starting from July 1, 2018 and (b) as from April 1, 2019 until the expiration of the security period, lower than 2:1, the compliance with such obligation to be tested on each financial semester starting from April 1, 2019 and iii) the Corporate Leverage Ratio as defined in the loan agreement will not be (a) at the end of December 31, 2018 higher than 0.85:1.0, the compliance with such obligation to be tested on each financial semester starting from July 1, 2018; (b) on March 31, 2019 higher than 0.80:1.0 and (c) starting from June 1, 2019 and at the end of each Accounting Period higher than 0.75:1.0, the compliance with such obligation to be tested on each financial semester starting from June 30, 2019. The facility also restricts the borrower's ability to distribute dividends in excess of 50% of the borrower's net income except if our cash and marketable securities are equal or greater than the amount required to meet the borrower's debt service for the following eighteen-month period. As of September 30, 2018, \$31.2 million was outstanding under the facility, excluding the unamortized financing fees.

#### NSF Loan Facility

On November 28, 2016, we entered into a \$32 million secured term loan facility with NSF to partly finance the acquisition of the Lordship and the Knightship. The facility bore fixed interest at 11% per annum, which was payable quarterly, and the principal was repayable in four consecutive quarterly installments of \$0.9 million each, commencing on March 13, 2019 and a final balloon payment of \$28.4 million due on December 13, 2019. The borrowers under the facility were our applicable vessel-owning subsidiaries. The facility was secured by first priority mortgages and general assignment covering earnings, insurances and requisition compensation for each of the vessels, account pledge agreements, share pledge agreements of our two vessel-owning subsidiaries and technical and commercial managers' undertakings. On June 13, 2018 and June 28, 2018, respectively, NSF entered into deeds of release, with respect to the Lordship and the Knightship, respectively, resulting in a complete release of the facility agreement dated November 28, 2016 after full settlement of the outstanding balance of \$32 million. The first-priority mortgages over the Lordship and the Knightship and all other securities created in favor of Northern Shipping Funds were irrevocably and unconditionally released pursuant to the deeds of release.

#### Jelco Loan Facility dated October 4, 2016

On October 4, 2016, we entered into a \$4.2 million loan facility with Jelco to finance the initial deposits for the Lordship and the Knightship. We refer to this as the "Jelco Loan Facility". On November 17, 2016 and November 28, 2016, we entered into amendments to this facility, which, among other things, increased the aggregate amount that may be borrowed under the facility to up to \$12.8 million (to partially finance the remaining payment for the Lordship and the Knightship) and extended the maturity date to the earlier of (i) February 28, 2018 and (ii) the date falling 14 months from the final drawdown date. On January 12, 2018, we exercised our option to extend the maturity date of the Jelco Loan Facility to January 28, 2019. The Jelco Loan Facility bears interest at LIBOR plus a margin of 8.5%, increased from 7%, following the extension of the maturity pursuant to the January 12, 2018 amendment and in accordance with the terms of the facility, and is repayable in one bullet payment together with accrued interest thereon to the maturity date. The margin may be increased by 1.5% if the maturity date is extended in accordance with the terms of the facility. Seanergy Maritime Holdings Corp. is the borrower under this facility. This facility is secured by a guarantee from our wholly-owned subsidiary, Emperor Holding Ltd., which is the holding company of our ship-owning subsidiary owning the Lordship and of the bareboat charterer of the Knightship. As of September 30, 2018, \$5.9 million was outstanding under this facility, excluding the unamortized financing fees.

#### ATB Loan Facility

On May 24, 2017, we entered into an up to \$18 million term loan facility with Amsterdam Trade Bank N.V. ("ATB") to partially finance the acquisition of the Partnership. The facility bears interest at LIBOR plus a margin of 4.65% per annum which is payable quarterly and the remaining principal is repayable by fifteen equal consecutive quarterly installments being \$200 thousand each, by additional quarterly repayments of any Excess Cash (as defined in the loan facility) up to \$3.6 million in total, and a final balloon payment due on the maturity date, May 26, 2022. The loan was made available in two drawdowns: (i) \$13.3 million was drawn down on May 26, 2017 and (ii) \$4.7 million was drawn down on June 22, 2017. The borrower under the ATB Loan Facility was our applicable vessel-owning subsidiary. The loan was secured by a first priority mortgage and a general assignment covering earnings, insurances and requisition compensation over the Partnership, an earnings account pledge agreement, technical and commercial managers' undertakings and a charter assignment. The facility also imposes certain operating and financing covenants. Certain of these covenants may significantly limit or prohibit, among other things, the borrowers' ability to incur additional indebtedness, create liens, engage in mergers, or sell the vessels without the consent of the relevant lenders. From June 30, 2018, certain other guarantor covenants require ongoing compliance that Seanergy Maritime Holdings Corp., on a consolidated basis, to maintain (i) a percentage ratio of net bank debt to market value adjusted total assets that does not exceed 75% and (ii) a ratio of EBITDA to net interest expense that is not less than 2:1. In addition, certain other covenants require ongoing compliance, including requirements that (i) the borrower maintains at all times a credit balance of at least \$0.5 million, (ii) Seanergy Maritime Holdings Corp. maintains at all times beginning on June 30, 2017 a credit balance of at least \$0.5 million per vessel, (iii) the borrower maintains an asset coverage ratio equal to at least 145% beginning on the utilization date of the first drawdown and ending on the date falling on the second anniversary and 165% at all times thereafter. The facility also places a restriction on the borrower's ability to distribute dividends to Seanergy Maritime Holdings Corp. or make any other form of distribution or effect any return of share capital unless additional repayments in an aggregate amount of \$3.6 million have been made. As of September 30, 2018, the aggregate amount of the additional repayments was \$0.41 million.

On September 25, 2017, in order to partially fund the refinancing of our Natixis facility, we amended and restated the ATB Loan Facility, increasing the loan amount of the facility by an additional tranche of \$16.5 million, or Tranche B. The principal of Tranche B was repayable by nineteen consecutive quarterly installments, being \$0.2 million each of the first four installments, \$0.3 million each of the subsequent four installments, and \$0.4 million each of the subsequent eleven installments, in addition to a balloon installment of any outstanding indebtedness due on the maturity date, May 26, 2022. On each quarterly repayment date, an additional repayment of at least \$0.01 million, or an integral multiple of that amount, of any excess cash standing to the credit of the relevant vessel's operating account should be applied towards reducing the balloon installment. Excess cash, as defined in the loan facility, was any amount above \$1.0 million. The aggregate amount of the additional repayments, with regard to Tranche B, should not

exceed \$1.25 million. The loan facility required that the borrower shall maintain in aggregate \$0.5 million as minimum liquidity. The amendment and restatement of the facility did not alter the interest rate, the maturity date, the amortization and the repayment terms of the existing tranche under the loan facility, or the financial covenants applicable to the Company as guarantor. The amended and restated loan facility was secured by first preferred mortgages and general assignments covering earnings, insurances and requisition compensation over the Partnership and the Championship, earnings account pledges, shares security deeds relating to the shares of both vessels' owning subsidiaries, technical and commercial managers' undertakings and, where applicable, charter assignments. On May 18, 2018, we signed a supplemental agreement with ATB by which: i) the ratio of EBITDA to net interest payments was amended to: not less than 1.2 times during the period commencing on June 30, 2018 and ending on June 29, 2019 and not less than 2 times from June 30, 2019 and for the remaining part of the security period and ii) the Leverage Ratio was amended to: no more than 85% during the period commencing on June 30, 2018 and ending on March 30, 2019, no more than 80% during the period commencing on March 31, 2019 and ending on June 29, 2019 and no more than 75% during the period commencing on June 30, 2019 and for the remaining part of the security period. As of September 30, 2018, \$32.3 million was outstanding under the facility, excluding the unamortized financing fees.

On November 7, 2018, Tranche B under the ATB Loan Facility was refinanced through a sale and leaseback agreement with Cargill International SA. On the same date, Amsterdam Trade Bank entered into a deed of release, with respect to the Championship, releasing the underlying borrower in full after the settlement of the outstanding balance of \$15.7 million pertaining to the specific vessel tranche. The first-priority mortgage over the Championship and all other securities created in favor of ATB were irrevocably and unconditionally released pursuant to the deed of release. Subsequent to the refinancing, \$16.6 million was outstanding under the facility, excluding the unamortized financing fees.

Jelco Loan Facility originally dated May 24, 2017 and amended and restated on September 27, 2017

On May 24, 2017, we entered into an up to \$16.2 million loan facility with Jelco to partially finance the acquisition of the Partnership. On June 22, 2017 and on August 22, 2017, we entered into supplemental letters with Jelco to amend the terms of this loan facility, whereby the repayment of \$4.8 million was deferred until September 29, 2017.

On September 27, 2017, we amended and restated the May 24, 2017 Jelco Loan Facility. The amended facility currently bears interest at three-month LIBOR plus a margin of 6% per annum which is payable quarterly and the principal is repayable in one bullet payment due on the maturity date. The maturity date, which was deferred from May 24, 2018 to May 24, 2019, may, at our option, be extended to May 24, 2020, from May 24, 2019 previously. We intend to exercise this option. The margin will be increased by 1% if the maturity date is extended. The facility is secured by a second preferred mortgage over the Partnership, second priority general assignment covering earnings, insurances and requisition compensation over the vessel and a guarantee from the respective vessel-owning subsidiary, and a guarantee from our wholly-owned subsidiary, Emperor Holding Ltd., which is the holding company of our ship-owning subsidiary owning the Lordship and the bareboat charterer of the Knightship. As of September 30, 2018, \$11.5 million was outstanding under this facility, excluding the unamortized financing fees.

Jelco Loan Facility dated April 10, 2018

On April 10, 2018, the Company entered into a \$2.0 million loan facility with Jelco for working capital purposes. The Company drew down the \$2.0 million on April 12, 2018. The facility, as amended on June 13, 2018, and on August 10, 2018, bears interest at a margin of 10% per annum which is payable, along with the principal, in one bullet payment due by January 31, 2019. The facility is secured by a guarantee from the Company's wholly-owned subsidiary, Emperor Holding Ltd.. As of September 30, 2018, \$2.0 million was outstanding under this facility.

Wilmington Trust Loan Facility dated June 11, 2018

On June 11, 2018, we entered into a \$24.5 million loan agreement with Blue Ocean maritime lending funds managed by EnTrustPermal for the purpose of refinancing the outstanding indebtedness of the Lordship under the previous loan facility with NSF dated November 28, 2016. The borrower under the facility is the applicable vessel-owning subsidiary and the facility is guaranteed by Seanergy Maritime Holdings Corp.. The facility matures in June 2023 and can be extended until June 2025 subject to certain conditions. Specifically, the borrower has the right to sell the ship back to the lender at a pre-agreed price of \$20.8 million on the fifth anniversary of the loan utilization ("Year-5 Put Option"). If the borrower elects to exercise the Year-5 Put Option, the lender has the right to extend the termination date of the loan by a further two years, in which case the exercise of the Year-5 Put Option by the borrower shall be cancelled in its entirety. Furthermore, the borrower has the right to sell the ship back to the lender at a pre-agreed price of \$15 million on the seventh anniversary of the loan utilization ("Year-7 Put Option"). If the borrower elects to exercise the Year-7 Put Option then the lenders will be obliged to purchase the ship at the pre-agreed price. The facility is secured by a first priority mortgage over the vessel, general assignment covering earnings, insurances and requisition compensation, an account pledge agreement and a share pledge agreement concerning the respective vessel-owning subsidiary and technical and commercial managers' undertakings. The facility bears a weighted average all-in interest rate of 11.4% and 11.2% assuming a maturity date in June 2023 or in June 2025, respectively. The principal obligation amortizes in 20 or 28 quarterly installments, with a balloon payment of \$15.3 million or \$9.5 million due at maturity, assuming a maturity date in June 2023 or in June 2025, respectively. The facility also imposes certain customary operating covenants. Certain of these covenants may significantly limit or prohibit, among other things, the particular borrower's ability to incur additional indebtedness, create liens, sell capital shares of subsidiaries, engage in mergers, or sell the vessel without the consent of the relevant lenders. As of September 30, 2018, \$24.3 million was outstanding under this facility, excluding the unamortized financing fees.



Sale and leaseback agreement with Hanchen Limited dated June 28, 2018

On June 28, 2018, we entered into a \$26.5 million sale and leaseback agreement for the Knightship with Hanchen Limited ("Hanchen"), an affiliate of AVIC International Leasing Co., Ltd., for the purpose of refinancing the outstanding indebtedness of the Knightship under the previous loan facility with NSF dated November 28, 2016. Our wholly-owned subsidiary ("Charterer") sold and chartered back the vessel on a bareboat basis for an eight year period, having a purchase obligation at the end of the eighth year and it further has the option to repurchase the Knightship at any time following the second anniversary of the bareboat charter. The transaction was accounted for as a failed sale and leaseback transaction and resulted in a finance lease. The bareboat charter is secured by a general assignment covering earnings, insurances and requisition compensation, an account pledge agreement and a share pledge agreement of the shares of the Charterer and technical and commercial managers' undertakings. Seanergy Maritime Holdings Corp. provided a guarantee to Hanchen for its obligations under the bareboat charter. An upfront charterhire of \$6.6 million was paid by the Charterer to Hanchen upon the delivery of the vessel. A deposit of \$1.3 million was paid by the Charterer to Hanchen upon the delivery of the vessel in order to secure the due observance and performance by the Charterer of its obligations and undertakings as per the sale and leaseback agreement. The deposit can be set off against the balloon payment at maturity. The charterhire principal bears interest at LIBOR plus a margin of 4% and amortizes in thirty two consecutive equal quarterly installments of approximately \$0.5 million along with a balloon payment at maturity of \$5.3 million. The Charterer is required to maintain a value maintenance ratio (as defined in the additional clauses of the bareboat charter) of at least 120%. In addition, the bareboat charter requires the Charterer to maintain an amount of \$1.3 million as cash deposit until the second anniversary of the delivery date or if earlier, a sub-charter in form and substance acceptable to Hanchen is available. The charterhire principal, as of September 30, 2018, is \$19.4 million.

Synthetic Sale and leaseback agreement with Cargill International SA dated November 7, 2018

On November 7, 2018, the Company entered into a \$23.5 million sale and leaseback agreement for the Championship with Cargill International SA ("Cargill") for the purpose of refinancing the outstanding indebtedness of the Championship under the previous loan facility with Amsterdam Trade Bank dated September 25, 2017. The respective vessel-owning subsidiary sold the vessel and a newly incorporated wholly-owned subsidiary ("Sub-charterer") of the Company chartered it back on a sub-bareboat basis for a five-year period, having a repurchase obligation at the end of the fifth year at \$13.5 million, and continuous repurchase options at any time through the whole five-year sale and leaseback period. At the time of the repurchase of the vessel by the Sub-charterer, the Sub-charterer has the obligation to pay to Cargill an amount equal to 20% of the difference between the market value of the vessel at the time of the repurchase and a pre-determined floor price, starting at \$30.0 million with applicable depreciation of 5.5% per annum. The sub-bareboat charter is secured by an account pledge agreement and technical and commercial managers' undertakings, and it requires the Sub-charterer to maintain in aggregate \$1.6 million as cash deposit until the expiration of the 5-year sale and leaseback period. The bareboat rate is \$7,900 per day and is paid in monthly intervals. The cost of the financing is equivalent to an expected fixed interest rate of 4.69% for 5 years. In addition, under the sale and leaseback agreement the Company will, subject to certain conditions, draw an additional amount of \$2.75 million in stages which will be used to finance the installation of an exhaust gas cleaning system, or scrubber, on the Championship (the "Scrubber Tranche"). The installation of the scrubber is expected to be completed by September 30, 2019 at which point it is expected for the Scrubber Tranche to be fully drawn. Once drawings commence, the Scrubber Tranche will be repayable through a premium in the daily bareboat hire of \$350, which will increase to \$1,740 following full drawdown of the Scrubber Tranche (the "Scrubber Premium"). As part of the sale and leaseback agreement, the Championship entered on November 7, 2018 a back-to-back time charter with Cargill for a period of five years plus an additional 18 months at charterer's option. The net daily charter hire payable by Cargill to the Sub-charterer is calculated at an index linked rate based on the five time charter routes of the Baltic Capesize Index by applying an average discount of 7% for the five-year period and in addition has a fixed element which is equal to the respective Scrubber Premium. On top of the daily hire, the Company will receive a compensation based on the spread between the price of High-Sulphur Fuel Oil and the price of Marine Gas Oil or other compliant Low-Sulphur Fuel Oil throughout the term of the time charter. The sale and leaseback agreement does



not include any financial covenants or security value maintenance provisions. As part of the transaction, the Company has issued 1,800,000 of its common shares to Cargill which are subject to customary registration rights.

12

---

### Convertible Promissory Notes

On March 12, 2015, we issued a convertible promissory note for \$4.0 million to Jelco. The note, as amended, is repayable in four installments with the first installment occurring six months after the delivery date of the Leadership and the other three installments semi-annually commencing four years after the delivery date of the Leadership, along with a balloon installment of \$3.2 million payable on the final maturity date in the first quarter of 2020. The note bears interest at three-month LIBOR plus a margin of 5% with interest payable quarterly. At Jelco's option, the principal amount under the convertible note or any part thereof may be paid at any time in common shares at a conversion price of \$0.90 per share. Jelco also received customary registration rights with respect to any shares received upon conversion of the note. As of September 30, 2018, \$3.8 million was outstanding under the note.

On September 7, 2015, we issued a revolving convertible promissory note to Jelco for an amount up to \$6.8 million, or the Applicable Limit. Following nine amendments to the note between December 2015 and September 2017, the Applicable Limit was raised to \$21.2 million and would be reduced by \$3.3 million four years following the first drawdown. The aggregate outstanding principal was repayable on the third quarter of 2020. On September 1, 2018, we entered into a further amendment to the note pursuant to which a drawdown request of up to \$3.5 million may be made by April 10, 2019 (the "Final Revolving Advance Date"). If the request is not made by the Final Revolving Advance Date, the advance will not be available to be drawn. In addition, principal repayments were eliminated, and the repayment of the aggregate outstanding principal was extended to December 2022. The note bears interest at three-month LIBOR plus a margin of 5% with interest payable quarterly. At Jelco's option, our obligation to repay the principal amount under the revolving convertible note or any part thereof may be paid in common shares at a conversion price of \$0.90 per share. Jelco also received customary registration rights with respect to any shares received upon conversion of the note. As of September 30, 2018, \$21.2 million was outstanding under the note.

On September 27, 2017, we issued a convertible promissory note to Jelco for an amount of \$13.75 million. The note is repayable by two consecutive annual installments of \$1.375 million, with the first installment occurring 24 months after the drawdown date, along with a balloon installment of \$11 million payable four years after the drawdown date. The note bears interest at three-month LIBOR plus a margin of 5% with interest payable quarterly. At Jelco's option, the whole or any part of the principal amount under the note may be paid at any time in common shares at a conversion price of \$0.90 per share. Jelco has received customary registration rights with respect to all shares upon conversion of the note. The note is secured by a second preferred mortgage and second priority general assignment covering earnings, insurances and requisition compensation over the Partnership and a guarantee from the respective vessel-owning subsidiary; all cross collateralized with the loan entered into with Jelco on May 24, 2017, as amended and restated. Of the \$13.75 million under the note, \$4.75 million were used to make a mandatory prepayment under the May 2017 Jelco loan facility. As of September 30, 2018, \$13.75 million was outstanding under the note.

Our wholly-owned subsidiary Emperor Holding Ltd. has provided a guarantee, dated September 27, 2017, to Jelco for Seanergy Maritime Holdings Corp.'s obligations under all these notes.

### Tabular Disclosure of Contractual Obligations

The following table sets forth our contractual obligations as of September 30, 2018 (in thousands of U.S. Dollars):

	Total	less than 1 year	1-3 years	3-5 years	more than 5 years
Contractual Obligations					
Long-term debt, debt to related party and other financial liabilities	\$213,660	\$29,358	\$104,164	\$69,828	\$10,310
Convertible promissory notes	38,715	1,775	15,775	21,165	-
Interest expense - long term debt, debt to related party and other financial liabilities	43,043	15,378	19,718	6,383	1,564
Interest expense - convertible promissory notes	10,616	3,070	5,413	2,133	-
Office rent obligations	741	84	368	289	-
Total	\$306,775	\$49,665	\$145,438	\$99,798	\$11,874

INDEX TO UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

	Page
Consolidated Balance Sheets as of September 30, 2018 (unaudited) and December 31, 2017	F-2
Unaudited Interim Consolidated Statements of Loss for the nine-month periods ended September 30, 2018 and 2017	F-3
Unaudited Interim Consolidated Statements of Stockholders' Equity for the nine-month periods ended September 30, 2018 and 2017	F-4
Unaudited Interim Consolidated Statements of Cash Flows for the nine-month periods ended September 30, 2018 and 2017	F-5
Notes to Unaudited Interim Consolidated Financial Statements	F-6

Edgar Filing: Seanergy Maritime Holdings Corp. - Form 6-K

Seanergy Maritime Holdings Corp.

Consolidated Balance Sheets

As of September 30, 2018 (unaudited) and December 31, 2017

(In thousands of US Dollars, except for share and per share data)

	Notes	2018	2017
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	2, 4	4,397	8,889
Restricted cash	4, 7	345	1,550
Accounts receivable trade, net	2	3,518	3,626
Inventories	5	8,252	4,797
Prepaid expenses and other current assets		978	636
Vessels held for sale	6	22,660	-
Deferred voyage expenses	2	1,954	-
Total current assets		42,104	19,498
Fixed assets:			
Vessels, net	6	217,086	254,730
Advances for vessels acquisitions and other costs	6	2,870	-
Other fixed assets, net		533	-
Right of use asset - leases	9	626	-
Total fixed assets		221,115	254,730
Other non-current assets:			
Deposits assets, non-current	7	1,325	-
Deferred charges, non-current	6	420	846
Restricted cash, non-current	4, 7	500	600
Other non-current assets		30	31
<b>TOTAL ASSETS</b>		<b>265,494</b>	<b>275,705</b>
<b>LIABILITIES AND STOCKHOLDERS EQUITY</b>			
Current liabilities:			
Current portion of long-term debt and other financial liabilities, net of deferred finance costs of \$563 and \$362, respectively	7	20,392	19,216
Current portion of convertible promissory notes	3	1,775	-
Trade accounts and other payables	2	15,177	8,778
Due to related parties	3	7,898	-
Accrued liabilities		4,034	4,725
Lease liability	2	36	-
Deferred revenue	2	154	1,741
Total current liabilities		49,466	34,460
Non-current liabilities:			
Long-term debt and other financial liabilities, net of current portion and deferred finance costs of \$1,067 and \$1,067, respectively	7	172,287	175,805
Due to related parties, non-current	3	11,450	17,342
Long-term portion of convertible promissory notes	3	8,344	6,785
Lease liability, non-current	2	590	-
Total liabilities		242,137	234,392

Edgar Filing: Seanergy Maritime Holdings Corp. - Form 6-K

Commitments and contingencies	9	-	-
<b>STOCKHOLDERS EQUITY</b>			
Preferred stock, \$0.0001 par value; 25,000,000 shares authorized; none issued		-	-
Common stock, \$0.0001 par value; 500,000,000 authorized shares as at September 30, 2018 and December 31, 2017; 38,193,348 and 36,979,346 shares issued and outstanding as at September 30, 2018 and December 31, 2017, respectively	10	3	3
Additional paid-in capital	3	384,224	383,007
Accumulated deficit	2	(360,870)	(341,697)
Total Stockholders' equity		23,357	41,313
<b>TOTAL LIABILITIES AND STOCKHOLDERS EQUITY</b>		<b>265,494</b>	<b>275,705</b>

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

F-2

---

Seanergy Maritime Holdings Corp.

Unaudited Interim Consolidated Statements of Loss

For the nine-month periods ended September 30, 2018 and 2017

(In thousands of US Dollars, except for share and per share data)

	Notes	2018	2017
Revenues:			
Vessel revenue	2	66,871	52,518
Commissions	2	(2,342)	(1,973)
Vessel revenue, net		64,529	50,545
Expenses:			
Voyage expenses	2	(27,188)	(26,084)
Vessel operating expenses		(15,276)	(14,049)
Management fees		(792)	(752)
General and administration expenses		(4,547)	(3,298)
Amortization of deferred dry-docking costs		(515)	(649)
Depreciation		(8,274)	(7,735)
Impairment loss	6	(6,878)	-
Operating income/ (loss)		1,059	(2,022)
Other income / (expenses), net:			
Interest and finance costs	11	(12,192)	(9,088)
Interest and finance costs - related party	3 & 11	(6,677)	(3,352)
Gain on debt refinancing		-	11,392
Interest and other income		9	9
Foreign currency exchange losses, net		(82)	(36)
Total other expenses, net		(18,942)	(1,075)
Net loss before income taxes		(17,883)	(3,097)
Income taxes		11	(22)
Net loss		(17,872)	(3,119)
Net loss per common share			
Basic	12	(0.48)	(0.09)
Weighted average common shares outstanding			
Basic	12	36,974,075	35,591,170

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

F-3

Seanergy Maritime Holdings Corp.  
 Unaudited Interim Consolidated Statements of Stockholders' Equity  
 For the nine-month periods ended September 30, 2018 and 2017  
 (In thousands of US Dollars, except for share data)

	Common stock				Total
	# of Shares	Par Value	Additional paid-in capital	Accumulated deficit	stockholders' equity
Balance, January 1, 2017	34,072,210	3	369,291	(338,462 )	30,832
Issuance of common stock (Note 10)	2,907,136	-	2,597	-	2,597
Issuance of convertible promissory notes			10,389		10,389
Stock based compensation (Note 13)	-	-	662	-	662
Net loss	-	-	-	(3,119 )	(3,119 )
Balance, September 30, 2017	36,979,346	3	382,939	(341,581 )	41,361

	Common stock				Total
	# of Shares	Par Value	Additional paid-in capital	Accumulated deficit	stockholders' equity
Balance, January 1, 2018	36,979,346	3	383,007	(341,697 )	41,313
Adoption of revenue recognition accounting policy adjustment (Note 2)	-	-	-	(1,301 )	(1,301 )
Stock based compensation (Note 13)	1,214,002	-	1,217	-	1,217
Net loss	-	-	-	(17,872 )	(17,872 )
Balance, September 30, 2018	38,193,348	3	384,224	(360,870 )	23,357

The accompanying notes are an integral part of these unaudited interim consolidated financial statements.  
 F-4

Edgar Filing: Seanergy Maritime Holdings Corp. - Form 6-K

Seanergy Maritime Holdings Corp.  
 Unaudited Interim Consolidated Statements of Cash Flows  
 For the nine-month periods ended September 30, 2018 and 2017  
 (In thousands of US Dollars)

	2018	2017
Cash flows from operating activities:		
Net loss	(17,872)	(3,119 )
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	8,274	7,735
Impairment loss	6,878	-
Amortization of deferred dry-docking costs	515	649
Amortization and write-off of deferred finance charges	728	383
Amortization of convertible promissory note beneficial conversion feature	3,334	1,330
Stock based compensation	1,217	662
Gain on debt refinancing	-	(11,392)
Changes in operating assets and liabilities:		
Accounts receivable trade, net	108	231
Adoption of revenue recognition accounting policy adjustment	(1,301 )	-
Inventories	(3,455 )	(152 )
Other current assets	(342 )	570
Deferred voyage expenses	(1,954 )	(199 )
Deferred charges – non-current	(142 )	-
Other non-current assets	1	5
Trade accounts and other payables	6,374	161
Accrued liabilities	(994 )	657
Deferred revenue	(1,587 )	4
Net cash used in operating activities	(218 )	(2,475 )
Cash flows from investing activities:		
Vessels acquisitions and improvements	(2,937 )	(32,756)
Other fixed assets, net	(558 )	-
Net cash used in investing activities	(3,495 )	(32,756)
Cash flows from financing activities:		
Net proceeds from issuance of common stock and warrants	-	2,713
Proceeds from long term debt and financial liability	43,050	34,500
Proceeds from convertible promissory notes	-	9,000
Proceeds from related party debt	2,000	16,200
Repayments of long term debt	(46,516)	(31,631)
Payments of financing costs	(618 )	(561 )
Net cash (used in) / provided by financing activities	(2,084 )	30,221
Net decrease in cash and cash equivalents and restricted cash	(5,797 )	(5,010 )
Cash and cash equivalents and restricted cash at beginning of period	11,039	15,908
Cash and cash equivalents and restricted cash at end of period	5,242	10,898

SUPPLEMENTAL CASH FLOW INFORMATION

Cash paid during the period for:		
Interest	13,962	10,330
Deposit – other financial liabilities	1,325	-



Noncash financing activities:

Conversion of related party debt into convertible promissory note	-	(4,570 )
---	---	----------

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

F-5

---

## Seanergy Maritime Holdings Corp.

## Notes To The Unaudited Interim Consolidated Financial Statements

(All amounts in footnotes in thousands of US Dollars, except for share and per share and warrants data, unless otherwise stated)

## 1. Basis of Presentation and General Information:

Seanergy Maritime Holdings Corp. (the "Company" or "Seanergy") was formed under the laws of the Republic of the Marshall Islands on January 4, 2008, with executive offices located in Athens, Greece and an office in Hong Kong. The Company provides global transportation solutions in the dry bulk shipping sector through its vessel-owning subsidiaries.

The accompanying unaudited interim consolidated financial statements have been prepared in accordance with Generally Accepted Accounting Principles in the United States of America ("U.S. GAAP") and applicable rules and regulations of the U.S. Securities and Exchange Commission (the "SEC") for certain financial information.

Accordingly, they do not include all the information and notes required by U.S. GAAP for complete financial statements. These statements and the accompanying notes should be read in conjunction with the Company's Annual Report on Form 20-F for the fiscal year ended December 31, 2017, filed with the SEC on March 7, 2018.

In the opinion of management, these unaudited interim consolidated financial statements, reflect all adjustments, which include only normal recurring adjustments considered necessary for a fair presentation of the Company's financial position, results of operations and cash flows for the periods presented. Operating results for the nine-month period ended September 30, 2018, are not necessarily indicative of the results that might be expected for the fiscal year ending December 31, 2018.

## a. Subsidiaries in Consolidation:

Seanergy's subsidiaries included in these consolidated financial statements as of September 30, 2018, including subsequent events, are as follows:

Company	Country of Incorporation	Vessel name	Date of Delivery	Date of Sale/Disposal
Seanergy Management Corp.(1)(3)	Marshall Islands	N/A	N/A	N/A
Seanergy Shipmanagement Corp.(1)(3)	Marshall Islands	N/A	N/A	N/A
Sea Glorius Shipping Co.(1)	Marshall Islands	Gloriusship	November 3, 2015	N/A
Sea Genius Shipping Co.(1)	Marshall Islands	Geniuship	October 13, 2015	N/A
Leader Shipping Co.(1)	Marshall Islands	Leadership	March 19, 2015	N/A
Premier Marine Co.(1)	Marshall Islands	Premiership	September 11, 2015	N/A
Gladiator Shipping Co.(1)(Note 6)	Marshall Islands	Gladiatorship	September 29, 2015	October 11, 2018
Guardian Shipping Co.(1)(Note 6)	Marshall Islands	Guardianship	October 21, 2015	November 19, 2018
Champion Ocean Navigation Co. Limited (1)(6)(Note 14)	Malta	Championship	December 7, 2015	November 7, 2018
Squire Ocean Navigation Co.(1)	Liberia	Squireship	November 10, 2015	N/A
Emperor Holding Ltd.(1)	Marshall Islands	N/A	N/A	N/A
Knight Ocean Navigation Co.(1)(Note 7)	Liberia	Knightship		June 28, 2018

Edgar Filing: Seenergy Maritime Holdings Corp. - Form 6-K

			December 13, 2016	
Lord Ocean Navigation Co.(1)	Liberia	Lordship	November 30, 2016	N/A
Partner Shipping Co. Limited (1)(7)	Malta	Partnership	May 31, 2017	N/A
Pembroke Chartering Services Limited (4)	Malta	N/A	N/A	N/A
Martinique International Corp.(5)	British Virgin Islands	Bremen Max	September 11, 2008	March 7, 2014
Harbour Business International Corp.(5)	British Virgin Islands	Hamburg Max	September 25, 2008	March 10, 2014
Maritime Capital Shipping Limited (1)	Bermuda	N/A	N/A	N/A
Maritime Capital Shipping (HK) Limited (3)	Hong Kong	N/A	N/A	N/A
Maritime Glory Shipping Limited (2)	British Virgin Islands	Clipper Glory	May 21, 2010	December 4, 2012
Maritime Grace Shipping Limited (2)	British Virgin Islands	Clipper Grace	May 21, 2010	October 15, 2012
Atlantic Grace Shipping Limited (5)	British Virgin Islands	N/A	N/A	N/A
Fellow Shipping Co. (1)(Note 6)	Marshall Islands	Fellowship	November 22, 2018	N/A
Champion Marine Co. (1)	Liberia	N/A	N/A	N/A
Champion Marine Co. (1)	Marshall Islands	N/A	N/A	N/A

Seanergy Maritime Holdings Corp.

Notes To The Unaudited Interim Consolidated Financial Statements

(All amounts in footnotes in thousands of US Dollars, except for share and per share and warrants data, unless otherwise stated)

- (1) Subsidiaries wholly owned
- (2) Vessel owning subsidiaries owned by Maritime Capital Shipping Limited (or "MCS")
- (3) Management company
- (4) Chartering services company
- (5) Dormant company
- (6) Previously known as Champion Ocean Navigation Co., of the Republic of Liberia and redomiciled to the Republic of Malta on May 23, 2018
- (7) Previously known as Partner Shipping Co., of the Republic of the Marshall Islands and redomiciled to the Republic of Malta on May 23, 2018

## 2. Significant Accounting Policies:

A discussion of the Company's significant accounting policies can be found in the Company's consolidated financial statements included in the Annual Report on Form 20-F for the year ended December 31, 2017, filed with the SEC on March 7, 2018. There have been no material changes to these policies in the nine-month period ended September 30, 2018, other than as disclosed below:

### Recent Accounting Pronouncements Adopted

#### Revenue

On January 1, 2018, the Company adopted Accounting Standards Update ("ASU") No. 2014-09, Revenue from Contracts with Customers and the related amendments ("ASC 606" or "the new revenue standard") using the modified retrospective method, requiring to recognize the cumulative effect of adopting this guidance as an adjustment to the 2018 opening balance of retained earnings and not retrospectively adjusting prior periods. The core principle is that a company should recognize revenue when promised goods or services are transferred to customers in an amount that reflects the consideration to which an entity expects to be entitled for those goods or services. The Company analyzed its contracts with charterers and has determined that its spot charters fall under the provisions of ASC 606, while its time charter agreements are lease agreements that contain certain non-lease elements. ASU No. 2014-09 indicates that an entity should perform a five-step approach in recognizing revenue, which might require more judgement and estimates compared to existing U.S. GAAP standards. The Company assessed its contract with charterers for spot charters during the nine-month period ended September 30, 2018 and concluded that there is one single performance obligation for each of its spot charters, which is to provide the charterer with a transportation service within a specified time period. In addition, the Company has concluded that spot charters meet the criteria to recognize revenue over time as the charterer simultaneously receives and consumes the benefits of the Company's performance. Previously, voyage revenue was recognized from the latter of the completion of the previous voyage and the signing of the next charter party (assuming a new charter has been agreed before the completion of the previous spot charter) until completion of cargo discharge. Under the new standard, voyage revenue is recognized beginning from when the vessel arrives at the load port until completion of cargo discharge. This change results in revenue being recognized later in the voyage, which may cause additional volatility in revenues and earnings between periods. Under a spot charter, the Company incurs and pays for certain voyage expenses, primarily consisting of bunkers consumption, brokerage commissions, port and canal costs. Before the adoption of ASC 606, all voyage costs are expensed as incurred, except for brokerage commissions. Brokerage commissions are deferred and amortized over the related voyage period in a charter to the extent revenue has been deferred since commissions are earned as the Company's revenues are earned. Under ASC 606 and after implementation of ASC 340-40 "Other assets and deferred costs" for contract costs, incremental costs of obtaining a contract with a customer, and contract fulfillment costs, should be capitalized and amortized as the performance obligation is satisfied, if certain criteria are met. The Company assessed

the new guidance and concluded that voyage costs are recognized over the length of the voyage as the performance obligation is satisfied, while costs to obtain the contract primarily consisting of bunkers are deferred and amortized during the voyage period. The adoption of new standard resulted in an increase in the opening Accumulated deficit balance as of January 1, 2018 of approximately \$1,301 as a result of the adjustment of Vessels revenue and Voyage expenses. Having not adopted ASC 606 the Company's: (i) vessel revenues would have been \$68,020 for the nine-month period ended September 30, 2018, (ii) voyage expenses would have been \$29,075 for the nine-month period ended September 30, 2018 and (iii) commissions would have been \$2,386 as of September 30, 2018. The balance sheet accounts affected are Accounts Receivable Trade, Net, Deferred Voyage Expenses, Trade Accounts and Other Payables and Accrued Liabilities. The total net positive effect in the Company's consolidated net loss having not adopted ASC 606 would have been \$781 for the nine-month period ended September 30, 2018. The Company does not disclose the value of unsatisfied performance obligations for contracts with an original expected length of one year or less, in accordance with the optional exception in ASC 606.

The following table presents the Company's net trade accounts receivable disaggregated by revenue source as at September 30, 2018 and as at December 31, 2017:

	September 30, 2018	December 31, 2017
Accounts receivable trade, net from spot charters	2,235	1,855
Accounts receivable trade, net from time charters	1,283	1,771
Total	3,518	3,626

F-7

---

Seanergy Maritime Holdings Corp.

Notes To The Unaudited Interim Consolidated Financial Statements

(All amounts in footnotes in thousands of US Dollars, except for share and per share and warrants data, unless otherwise stated)

## Leases

In February 2016, the Financial Accounting Standards Board ("FASB") issued ASU No. 2016-02 - Leases (ASC 842), and as amended, which requires lessees to recognize most leases on the balance sheet. This is expected to increase both reported assets and liabilities. The new lease standard does not substantially change lessor accounting. For public companies, the standard will be effective for the first interim reporting period within annual periods beginning after December 15, 2018, although early adoption is permitted. Lessees and lessors will be required to apply the new standard at the beginning of the earliest period presented in the financial statements in which they first apply the new guidance, using a modified retrospective transition method. In July 2018, the FASB issued ASU No. 2018-11, Leases (ASC 842) – Targeted Improvements. The amendments in this Update: (i) provide entities with an additional (and optional) transition method to adopt the new leases standard, under which an entity initially applies the new leases standard at the adoption date and recognizes a cumulative-effect adjustment to the opening balance of retained earnings in the period of adoption consistent with preparers' requests and (ii) provide lessors with a practical expedient, by class of underlying asset, to not separate non-lease components from the associated lease component and, instead, to account for those components as a single component if both of the following are met: (a) The timing and pattern of transfer of the non-lease component(s) and associated lease component are the same and (b) The lease component, if accounted for separately, would be classified as an operating lease. If the non-lease component or components associated with the lease component are the predominant component of the combined component, an entity is required to account for the combined component in accordance with ASC 606. Otherwise, the entity should account for the combined component as an operating lease in accordance with ASC 842. Under ASC 842, lessees and lessors will be required to apply the new standard at the beginning of the earliest period presented in the financial statements in which they first apply the new guidance, using a modified retrospective transition method. The requirements of this standard include a significant increase in required disclosures. The Company elected to early adopt ASC 842 in the second quarter of 2018, retrospectively from January 1, 2018. The Company selected the optional transition method and adopted the standard by using the modified retrospective method. The Company also elected to apply all the practical expedients discussed above. In this respect no cumulative-effect adjustment was recognized to the 2018 opening balance of retained earnings. The Company assessed its new time charter contracts within the period under the new guidance and concluded that these contracts contain a lease with the related executory costs (insurance), as well as non-lease elements to provide other services related to the operation of the vessel, with the most substantial service being the crew cost to operate the vessel. The Company concluded that the criteria for not separating lease and non-lease components of its time charter contracts are met, since (i) the time pattern of recognizing revenues for crew and other services for the operation of the vessels is similar to the time pattern of recognizing rental income, (ii) the lease component of the time charter contracts, if accounted for separately, would be classified as an operating lease, and (iii) the predominant component in its time charter agreements is the lease component. In this respect, the Company accounts for the combined component as an operating lease in accordance with ASC 842. The early adoption of ASC 842 had no effect on the Company's consolidated financial position and results of operations for the nine-month period ended September 30, 2018. As of September 30, 2018, the Company had two vessels employed under long-term time charters determined to be operating leases under ASC 842. The one vessel's period of employment is expected to end in December 2018 and the other vessel's period of employment is expected to end between December 2018 and April 2019. Operating lease-related income items for the nine-month period ended September 30, 2018 are: (i) vessel rental income of \$9,102, (ii) voyage expenses of \$195 and (iii) commissions of \$166. Cash lease payments received for the nine-month period ended September 30, 2018 were \$8,468.

Edgar Filing: Seanergy Maritime Holdings Corp. - Form 6-K

The following table presents the Company's revenue disaggregated by revenue source for the nine-month periods ended September 30, 2018 and 2017:

	September 30,	
	2018	2017
Vessel revenues derived from spot charters	50,684	40,141
Vessel revenues derived from time charters	16,187	12,377
Total	68,871	52,518

The following table presents the Company's commissions disaggregated by revenue source for the nine-month periods ended September 30, 2018 and 2017:

	September 30,	
	2018	2017
Commissions derived from spot charters	(1,914)	(1,559)
Commissions derived from time charters	(428 )	(414 )
Total	(2,342)	(1,973)

The following table presents the Company's voyage expenses disaggregated by revenue source for the nine-month periods ended September 30, 2018 and 2017:

	September 30,	
	2018	2017
Voyage expenses derived from spot charters	(26,196)	(24,360)
Voyage expenses derived from time charters	(992 )	(1,724 )
Total	(27,188)	(26,084)

F-8

---

## Seanergy Maritime Holdings Corp.

## Notes To The Unaudited Interim Consolidated Financial Statements

(All amounts in footnotes in thousands of US Dollars, except for share and per share and warrants data, unless otherwise stated)

Charterers individually accounting for more than 10% of revenues during the nine-month periods ended September 30, 2018 and 2017 were:

Customer	2018	2017
A	27%	13%
B	19%	-
C	10%	13%
D	-	12%
E	-	10%
Total	56%	48%

As of September 30, 2018, the Company has entered into two time charter agreements for periods of thirty three to thirty seven months, with charterer's option to extend both time charters. These time charters will commence in the second half of 2019. As of September 30, 2018, an amount of \$1,800, which is included in cash and cash equivalents and in trade accounts and other payables on the consolidated balance sheet, relates to an advance received from the charterer of these two charter agreements in order to fund the installation of exhaust gas cleaning systems, or scrubbers, on the two vessels associated with these time charters. The charterer will fund the entire cost of the scrubbers. As of September 30, 2018, the Company has also entered into an agreement for the installation of the scrubbers on these two vessels. Installation of the scrubbers is expected to take place in 2019 and conclude by September 30, 2019. The Company does not expect the scrubbers installation to have a material impact on the Company's results of operations, financial position or cash flows.

In August 2016, the FASB issued ASU No. 2016-15 Statement of Cash Flows (Topic 230) – Classification of Certain Cash Receipts and Cash Payments which addresses the following eight specific cash flow issues with the objective of reducing the existing diversity in practice: Debt prepayment or debt extinguishment costs; settlement of zero-coupon debt instruments or other debt instruments with coupon interest rates that are insignificant in relation to the effective interest rate of the borrowing; contingent consideration payments made after a business combination; proceeds from the settlement of insurance claims; proceeds from the settlement of corporate-owned life insurance policies (COLIs) (including bank-owned life insurance policies (BOLIs)); distributions received from equity method investees; beneficial interests in securitization transactions; and separately identifiable cash flows and application of the predominance principle. ASU 2016-15 is effective for fiscal years beginning after December 15, 2017 including interim periods within that reporting period, however early adoption is permitted. The Company adopted the new guidance on January 1, 2018 and it did not have a material impact on the consolidated results of operations, financial condition, or cash flows.

In May 2017, the FASB issued ASU No. 2017-09, Compensation—Stock Compensation (Topic 718). ASU 2017-09 clarifies when changes to the terms or conditions of a share-based payment award must be accounted for as modifications. ASU 2017-09 allows companies to make certain changes to awards without accounting for them as modifications. It does not change the accounting for modifications. ASU 2017-09 is effective for annual periods, and interim periods within those annual periods, beginning after December 15, 2017 for all entities. Early adoption is permitted, including adoption in any interim period for which financial statements have not yet been issued or made available for issuance. The adoption of this new accounting guidance did not have a material effect on the Company's Consolidated Financial Statements. The Company adopted the new guidance on January 1, 2018 and it did not have any effect on its consolidated financial statements.

Recent Accounting Pronouncements Not Yet Adopted



In June 2018, the FASB issued ASU No. 2018-07, Compensation—Stock Compensation which concerns Improvements to Nonemployee Share-Based Payment Accounting. The amendments in this Update affect all entities that enter into share-based payment transactions for acquiring goods and services from nonemployees. The amendments in this Update expand the scope of Topic 718 to include share-based payment transactions for acquiring goods and services from nonemployees. An entity should apply the requirements of Topic 718 to nonemployee

F-9

---

Seanergy Maritime Holdings Corp.

Notes To The Unaudited Interim Consolidated Financial Statements

(All amounts in footnotes in thousands of US Dollars, except for share and per share and warrants data, unless otherwise stated)

awards except for specific guidance on inputs to an option pricing model and the attribution of cost (that is, the period of time over which share-based payment awards vest and the pattern of cost recognition over that period). The amendments specify that Topic 718 applies to all share-based payment transactions in which a grantor acquires goods or services to be used or consumed in a grantor's own operations by issuing share-based payment awards. The amendments also clarify that Topic 718 does not apply to share-based payments used to effectively provide (1) financing to the issuer or (2) awards granted in conjunction with selling goods or services to customers as part of a contract accounted for under Topic 606, Revenue from Contracts with Customers. Consistent with the accounting requirement for employee share-based payment awards, nonemployee share-based payment awards within the scope of Topic 718 are measured at grant-date fair value of the equity instruments that an entity is obligated to issue when the good has been delivered or the service has been rendered and any other conditions necessary to earn the right to benefit from the instruments have been satisfied. Equity-classified nonemployee share-based payment awards are measured at the grant date. The definition of the term grant date is amended to generally state the date at which a grantor and a grantee reach a mutual understanding of the key terms and conditions of a share-based payment award. Generally, the classification of equity-classified nonemployee share-based payment awards will continue to be subject to the requirements of Topic 718 unless modified after the good has been delivered, the service has been rendered, any other conditions necessary to earn the right to benefit from the instruments have been satisfied, and the nonemployee is no longer providing goods or services. This eliminates the requirement to reassess classification of such awards upon vesting. ASU 2018-07 is effective for public business entities in annual periods beginning after December 15, 2018 and interim periods within those years. Early adoption is permitted, including adoption in any interim period for which financial statements have not yet been issued or made available for issuance, but not before an entity adopts the new revenue guidance. The Company is currently evaluating the provisions of this guidance and assessing its impact on its consolidated financial statements and notes disclosures.

In August 2018, the FASB issued ASU No. 2018-13, Disclosure Framework: Changes to the Disclosure Requirements for Fair Value Measurement, which change the disclosure requirements for fair value measurements by removing, adding, and modifying certain disclosures. This ASU is effective for fiscal years beginning after December 15, 2019, and for interim periods within that year. Early adoption is permitted for any eliminated or modified disclosures upon issuance of this ASU. The Company is currently evaluating the impact of this adoption on its consolidated financial statements and related disclosures.

### 3. Transactions with Related Parties:

#### a. Convertible Promissory Notes:

Details of the Company's convertible promissory notes issued to Jelco Delta Holding Corp., or Jelco, a company affiliated with Claudia Restis, who is also the Company's principal shareholder, are discussed in Note 3 of the consolidated financial statements for the year ended December 31, 2017, included in the Company's 2017 annual report on Form 20-F.

#### March 12, 2015 - \$4,000 Convertible Promissory Note

The note bears interest at three-month LIBOR plus a margin of 5% with quarterly interest payments. The note is secured by a guarantee from the Company's wholly-owned subsidiary, Emperor Holding Ltd., which is the holding company of the owner of the Lordship and of the bareboat charterer of the Knightship. The next two installments, \$200 each, are due by September 30, 2019 and the respective amount has been classified to current.

#### September 27, 2017 - \$13,750 Convertible Promissory Note

The note bears interest at three-month LIBOR plus a margin of 5% with quarterly interest payments. The note is secured by a second preferred mortgage and second priority general assignment covering earnings, insurances and



## Seanergy Maritime Holdings Corp.

## Notes To The Unaudited Interim Consolidated Financial Statements

(All amounts in footnotes in thousands of US Dollars, except for share and per share and warrants data, unless otherwise stated)

requisition compensation over the Partnership and guarantees from the Company's respective vessel-owning subsidiary and from the Company's wholly-owned subsidiary, Emperor Holding Ltd.; all cross collateralized with the loan entered into with Jelco on May 24, 2017, as amended and restated.

The debt movement of the above two convertible notes is presented below:

	Applicable limit	Debt discount	Accumulated deficit	Debt
Balance, December 31, 2016	4,000	(4,000 )	425	425
Additions	13,750	(10,389 )		3,361
Amortization (Note 11)	-	-	376	376
Balance, September 30, 2017	17,750	(14,389 )	801	4,162
Amortization (Note 11)	-	-	416	416
Balance, December 31, 2017	17,750	(14,389 )	1,217	4,578
Amortization (Note 11)	-	-	1,647	1,647
Balance, September 30, 2018	17,750	(14,389 )	2,864	6,225

The equity movement of the above two convertible notes is presented below:

	Additional paid-in capital
Balance, December 31, 2016	3,800
Additions	10,389
Balance, September 30, 2017	14,189
Balance, December 31, 2017	14,189
Balance, September 30, 2018	14,189

## September 7, 2015 - Revolving Convertible Promissory Note

Following the tenth amendment to the revolving convertible note on September 1, 2018, a drawdown request of up to \$3,500 may be made by April 10, 2019 (the "Final Revolving Advance Date"). If the request is not made by the Final Revolving Advance Date, the advance will not be available to be drawn. The aggregate outstanding principal is repayable in December 2022. The note bears interest at three-month LIBOR plus a margin of 5% with interest payable quarterly. At Jelco's option, the Company's obligation to repay the principal amount under the revolving convertible note or any part thereof may be paid in common shares at a conversion price of \$0.90 per share. Jelco also received customary registration rights with respect to all shares upon conversion of the note. The note is secured by a guarantee from the Company's wholly-owned subsidiary, Emperor Holding Ltd.

The debt movement of the revolving convertible note is presented below:

	Applicable limit	Debt discount	Accumulated deficit	Debt
Balance, December 31, 2016	21,165	(21,165 )	872	872
Amortization (Note 11)	-	-	954	954
Balance, September 30, 2017	21,165	(21,165 )	1,826	1,826
Amortization	-	-	381	381
Balance, December 31, 2017	21,165	(21,165 )	2,207	2,207
Additions	3,500	-	-	-

Edgar Filing: Seanergy Maritime Holdings Corp. - Form 6-K

Amortization (Note 11)	-	-	1,687	1,687
Balance, September 30, 2018	24,665	(21,165 )	3,894	3,894

F-11

---

Seanergy Maritime Holdings Corp.

Notes To The Unaudited Interim Consolidated Financial Statements

(All amounts in footnotes in thousands of US Dollars, except for share and per share and warrants data, unless otherwise stated)

The equity movement of the revolving convertible note is presented below:

	Additional paid-in capital
Balance, December 31, 2016	21,165
Balance, September 30, 2017	21,165
Balance, December 31, 2017	21,165
Balance, September 30, 2018	21,165

b. Loan Agreements:

Details of the Company's loan agreements with related parties are discussed in Note 3 of the consolidated financial statements for the year ended December 31, 2017, included in the Company's 2017 annual report on Form 20-F and are supplemented by the below new activities.

On May 24, 2017, the Company entered into an up to \$16,200 loan facility with Jelco to partially finance the acquisition of the Partnership. The Company drew down the \$16,200 on May 24, 2017. The facility, as amended, currently bears interest at three-month LIBOR plus a margin of 6% per annum which is payable quarterly and the principal is repayable in one bullet payment due on the maturity date. The maturity date, which was deferred from May 24, 2018 to May 24, 2019, may, at the Company's option, be further extended to May 24, 2020. The Company expects to exercise this option. The margin will be increased by 1% if the maturity date is extended. As of September 30, 2018, \$11,450 was outstanding under this loan facility and is classified under non-current liabilities since the Company does not any obligation to repay the loan within the next twelve months.

On April 10, 2018, the Company entered into a \$2,000 loan facility with Jelco for working capital purposes. The Company drew down the \$2,000 on April 12, 2018. The facility, as amended on June 13, 2018 and as further amended on August 11, 2018 by a supplemental letter, bears interest at a margin of 10% per annum, payable quarterly, and the principal is payable in one bullet payment due by January 31, 2019. The facility is secured by a guarantee from the Company's wholly-owned subsidiary, Emperor Holding Ltd.

As of September 30, 2018, \$5,900, net of deferred financing costs, was outstanding under the October 4, 2016 Jelco loan facility.

4. Cash and Cash Equivalents and Restricted Cash:

The following table provides a reconciliation of cash and cash equivalents and restricted cash reported within the balance sheet that sum to the total of the same such amounts shown in the statement of cash flows:

	September 30, 2018	December 31, 2017
Cash and cash equivalents	4,397	8,889
Restricted cash	345	1,550
Restricted cash, non-current	500	600
Total	5,242	11,039



## Seanergy Maritime Holdings Corp.

## Notes To The Unaudited Interim Consolidated Financial Statements

(All amounts in footnotes in thousands of US Dollars, except for share and per share and warrants data, unless otherwise stated)

Restricted cash as of September 30, 2018 amounts include \$500 of minimum liquidity requirements as per the Amsterdam Trade Bank N.V. loan agreement (Note 7), \$295 in a dry-docking reserve account as per the Amsterdam Trade Bank N.V. loan agreement and \$50 of restricted deposits pledged as collateral regarding credit cards balances with one of the Company's financial institutions. Minimum liquidity, not legally restricted, of \$5,500 as per the Company's credit facilities covenants is included in Cash and cash equivalents. An amount of \$1,325 as per the June 28, 2018 sale and leaseback agreement is included in Cash and cash equivalents (Note 7). As of December 31, 2017, restricted cash amounts included \$1,500 of restricted deposits as contractually required under the loan facility with Northern Shipping Fund III LP, or NSF (Note 7), \$500 of minimum liquidity requirements as per the Amsterdam Trade Bank N.V. loan agreement (Note 7), \$100 in dry-docking reserve accounts as per the Amsterdam Trade Bank N.V. loan agreement and \$50 of restricted deposits pledged as collateral regarding credit cards balances with one of the Company's financial institutions.

## 5. Inventories:

The amounts in the accompanying consolidated balance sheets are analyzed as follows:

	September 30, 2018	December 31, 2017
Lubricants	634	582
Bunkers	7,618	4,215
Total	8,252	4,797

## 6. Vessels, Net, Vessels Held for Sale, and Advances for Vessels Acquisitions and Other Costs:

## Vessels, Net

The amounts in the accompanying consolidated balance sheets are analyzed as follows:

	September 30, 2018	December 31, 2017
Cost:		
Beginning balance	275,582	242,462
- Additions	89	33,120
- Impairment charges	(6,853 )	-
- Transfers to held for sale	(22,660 )	-
Ending balance	246,158	275,582
Accumulated depreciation:		
Beginning balance	(20,852 )	(10,353 )
- Additions	(8,220 )	(10,499 )
Ending balance	(29,072 )	(20,852 )
Net book value	217,086	254,730



Seanergy Maritime Holdings Corp.

Notes To The Unaudited Interim Consolidated Financial Statements

(All amounts in footnotes in thousands of US Dollars, except for share and per share and warrants data, unless otherwise stated)

On March 28, 2017, the Company entered into an agreement with an unaffiliated third party for the purchase of a secondhand Capesize vessel, at a gross purchase price of \$32,650. On May 31, 2017, the Company acquired the 2012 Capesize, 179,213 DWT Partnership. The acquisition was financed with the Amsterdam Trade Bank N.V. loan facility (Note 7), the Jelco loan facility entered into on May 24, 2017 (Note 3) and by cash on hand. Additionally, approximately \$89 and \$465 worth of expenditures that increased the earning capacity and improved the efficiency of certain vessels were capitalized during the nine and twelve month periods ended September 30, 2018 and December 31, 2017, respectively.

As of September 30, 2018, all vessels, except for the Knightship, are mortgaged to secured loans (Notes 3 and 7).

Advances for Vessels Acquisitions and Other Costs

On August 31, 2018, the Company entered into an agreement with an unaffiliated third party for the purchase of one second hand Capesize vessel for a gross purchase price of \$28,700. The vessel was delivered to the Company on November 22, 2018 (Note 14). The acquisition of the vessel was financed through the loan facility with UniCredit (Note 14) and by cash on hand. On September 30, 2018, an amount of \$2,870 was paid in advance as a deposit to the sellers in accordance with the terms of the agreement and is classified as "Advances for vessels acquisitions and other costs" in the Consolidated Balance Sheet as at September 30, 2018.

Vessels Held for Sale

On September 20, 2018, the Company entered into two separate agreements with unaffiliated third parties for the sale of two Supramax vessels, namely the Gladiatorship and the Guardianship for a gross sale price of \$10,960 and \$11,700, respectively. The Gladiatorship and the Guardianship were delivered to their new owners on October 11, 2018 and on November 19, 2018, respectively (Note 14). As of September 30, 2018, both vessels were classified in current assets as "Vessels held for sale" in the Consolidated Balance Sheet, according to the provisions of ASC 360, as all the criteria for this classification were met. The specific vessels were impaired as of September 30, 2018, since their carrying amount as at the balance sheet date was higher than their fair value less cost to sell. Accordingly, an impairment loss of \$6,878 was recognized in the Consolidated Statements of Loss, of which \$25 are related to unamortized deferred dry-docking costs. The fair value of the vessels was determined based on the agreed sale prices (Note 8).

7. Long-Term Debt and Financial Liabilities:

The amounts in the accompanying consolidated balance sheets are analyzed as follows:

	September 30, 2018	December 31, 2017
Secured loan facilities and other financial liabilities	194,309	196,450
Less: Deferred financing costs	(1,630 )	(1,429 )
Total	192,679	195,021
Less - current portion	(20,392 )	(19,216 )
Long-term portion	172,287	175,805

Seanergy Maritime Holdings Corp.

Notes To The Unaudited Interim Consolidated Financial Statements

(All amounts in footnotes in thousands of US Dollars, except for share and per share and warrants data, unless otherwise stated)

#### Secured credit facilities

Details of the Company's secured credit facilities are discussed in Note 7 of the consolidated financial statements for the year ended December 31, 2017, included in the Company's 2017 annual report on Form 20-F and are supplemented by the below new activities.

On June 29, 2018, the Company further amended the March 6, 2015 loan agreement with Alpha Bank A.E. to amend certain covenant terms of the facility.

On March 28, 2018, the Company signed an amendment to the September 1, 2015 HSH facility to amend certain covenant terms of the facility.

On April 30, 2018, the Company signed a supplemental letter with UniCredit Bank A.G. to the September 11, 2015 facility to amend certain covenant terms of the facility. On November 22, 2018, the Company entered into an amendment and restatement of the facility (Note 14).

On June 29, 2018, the Company further amended the November 4, 2015 loan agreement with Alpha Bank A.E. to amend certain covenant terms of the facility.

On June 13, 2018 and June 28, 2018, respectively, NSF entered into deeds of release, with respect to the Lordship and the Knightship, respectively, resulting in a complete release of the facility agreement dated November 28, 2016 after full settlement of the outstanding balance of \$32,000. The first-priority mortgages over the Lordship and the Knightship and all other securities created in favor of NSF were irrevocably and unconditionally released pursuant to the deeds of release.

On May 18, 2018, the Company signed a supplemental agreement with Amsterdam Trade Bank N.V. to the May 24, 2017 loan facility, as amended and restated on September 25, 2017, to amend certain covenant terms of the facility.

On June 11, 2018, the Company entered into a \$24,500 loan agreement with Blue Ocean maritime lending funds managed by EnTrustPermal for the purpose of refinancing the outstanding indebtedness of the Lordship under the previous loan facility with NSF dated November 28, 2016. The borrower under the facility is the applicable vessel-owning subsidiary and the facility is guaranteed by the Company. The facility matures in June 2023 and can be extended until June 2025 subject to certain conditions. Specifically, the borrower has the right to sell the ship back to the lender at a pre-agreed price of \$20,800 on the fifth anniversary of the loan utilization ("Year-5 Put Option"). If the borrower elects to exercise the Year-5 Put Option, the lender has the right to extend the termination date of the loan by a further two years, in which case the exercise of the Year-5 Put Option by the borrower shall be cancelled in its entirety. Furthermore, the borrower has the right to sell the ship back to the lender at a pre-agreed price of \$15,000 on the seventh anniversary of the loan utilization ("Year-7 Put Option"). If the borrower elects to exercise the Year-7 Put Option then the lenders will be obliged to purchase the ship at the pre-agreed price. The new facility is secured by a first priority mortgage over the vessel, general assignment covering earnings, insurances and requisition compensation, an account pledge agreement and a share pledge agreement concerning the respective vessel-owning subsidiary and technical and commercial managers' undertakings. The new loan facility bears a weighted average all-in interest rate of 11.4% and 11.2% assuming a maturity date in June 2023 or in June 2025, respectively. The principal obligation amortizes in 20 or 28 quarterly installments, with a balloon payment of \$15,300 or \$9,500 due at maturity, assuming a maturity date in June 2023 or in June 2025, respectively. The facility also imposes certain customary operating covenants. Certain of these covenants may significantly limit or prohibit, among other things, the borrower's ability to incur additional indebtedness, create liens, sell capital shares of subsidiaries, engage in mergers, or sell the vessel without the consent of the relevant lenders. As of September 30, 2018, the amount outstanding under the facility was \$24,300.

All of the Company's secured facilities bear either floating interest at LIBOR plus a margin or fixed interest. Each secured facility is secured by a first priority mortgage over the respective vessel.

F-15

---

Seanergy Maritime Holdings Corp.

Notes To The Unaudited Interim Consolidated Financial Statements

(All amounts in footnotes in thousands of US Dollars, except for share and per share and warrants data, unless otherwise stated)

Certain of the Company's credit facilities contain financial covenants and undertakings requiring the Company to maintain various financial ratios, including:

- a minimum earnings before interest, taxes, depreciation and amortization ("EBITDA") to interest coverage ratio;
- a minimum borrower's liquidity;
- a minimum guarantor's liquidity;
- a security coverage requirement; and
- a leverage ratio.

The March 6, 2015 and November 4, 2015 facilities with Alpha Bank A.E. place a restriction on the Company's ability to distribute dividends to its shareholders, pursuant to which the amount of the dividends so declared shall not exceed 50% of the Company's net income except in case the cash and marketable securities are equal or greater than the amount required to meet the Company's consolidated debt installments and interest payments for the following eighteen-month period.

Failed Sale and Leaseback Agreement (Financial Liability)

On June 28, 2018, the Company entered into a \$26,500 sale and leaseback agreement for the Knightship with Hanchen Limited "Hanchen"), an affiliate of AVIC International Leasing Co., Ltd., for the purpose of refinancing the outstanding indebtedness of the Knightship under the previous loan facility with NSF dated November 28, 2016. The Company's wholly-owned subsidiary ("Charterer") sold and chartered back the vessel on a bareboat basis for an eight year period, having a purchase obligation at the end of the eighth year and it further has the option to repurchase the Knightship at any time following the second anniversary of the bareboat charter. Under ASC 842-40, the transaction was accounted for as a failed sale and leaseback transaction and resulted in a financial liability. The bareboat charter is secured by a general assignment covering earnings, insurances and requisition compensation, an account pledge agreement and a share pledge agreement of the shares of the Charterer and technical and commercial managers' undertakings. The Company provided a guarantee to Hanchen. An upfront charterhire of \$6,625 was paid by the Charterer to Hanchen upon the delivery of the vessel. An amount of \$1,325 was paid by the Charterer to Hanchen upon the delivery of the vessel in order to secure the due observance and performance by the Charterer of its obligations and undertakings as per the sale and leaseback agreement. The deposit can be set off against the balloon payment at maturity. The Charterer is required to maintain a value maintenance ratio (as defined in the additional clauses of the bareboat charter) of at least 120%. In addition, the bareboat charter requires the Charterer to maintain an amount of \$1,325 (Note 4) until the second anniversary of the delivery date or if earlier, a sub-charter in form and substance acceptable to Hanchen is available.

The charterhire principal bears interest at LIBOR plus a margin of 4% and amortizes in thirty two consecutive equal quarterly installments of approximately \$456 along with a balloon payment at maturity of \$5,299. The charterhire principal, as of September 30, 2018, is \$19,420.

The borrowers under each of the existing financing arrangements are the applicable vessel owning subsidiaries or bareboat charterers of the vessels, as applicable, and the facilities are guaranteed by Seanergy Maritime Holdings Corp.

Seanergy Maritime Holdings Corp.

Notes To The Unaudited Interim Consolidated Financial Statements

(All amounts in footnotes in thousands of US Dollars, except for share and per share and warrants data, unless otherwise stated)

The annual principal payments required to be made after September 30, 2018, are as follows:

Twelve month periods ending	Amount
September 30, 2019	20,955
September 30, 2020	51,943
September 30, 2021	41,274
September 30, 2022	51,006
Thereafter	29,131
Total	194,309

8. Financial Instruments:

The guidance for fair value measurements applies to all assets and liabilities that are being measured and reported on a fair value basis. This guidance enables the reader of the financial statements to assess the inputs used to develop those measurements by establishing a hierarchy for ranking the quality and reliability of the information used to determine fair values. The same guidance requires that assets and liabilities carried at fair value should be classified and disclosed in one of the following three categories based on the inputs used to determine its fair value:

- Level 1: Quoted market prices in active markets for identical assets or liabilities;
- Level 2: Observable market based inputs or unobservable inputs that are corroborated by market data;
- Level 3: Unobservable inputs that are not corroborated by market data.

(a) Significant Risks and Uncertainties, including Business and Credit Concentration

The Company places its temporary cash investments, consisting mostly of deposits, primarily with high credit qualified financial institutions. The Company performs periodic evaluations of the relative credit standing of those financial institutions that are considered in the Company's investment strategy. The Company limits its credit risk with accounts receivable by performing ongoing credit evaluations of its customers' financial condition and generally does not require collateral for its accounts receivable and does not have any agreements to mitigate credit risk.

(b) Interest Rate Risk

Fair Value of Financial Instruments

The fair values of the financial instruments shown in the consolidated balance sheets as of September 30, 2018 and December 31, 2017, represent management's best estimate of the amounts that would be received to sell those assets or that would be paid to transfer those liabilities in an orderly transaction between market participants at that date. Those fair value measurements maximize the use of observable inputs. However, in situations where there is little, if any, market activity for the asset or liability at the measurement date, the fair value measurement reflects the Company's own judgments about the assumptions that market participants would use in pricing the asset or liability. Those judgments are developed by the Company based on the best information available in the circumstances. The following methods and assumptions were used to estimate the fair value of each class of financial instruments:

- a. Cash and cash equivalents, restricted cash, accounts receivable trade, other current assets and trade accounts and other payables: the carrying amounts approximate fair value because of the short maturity of these instruments. The

carrying value approximates the fair market value for interest bearing cash classified as restricted cash, non-current.  
F-17

---

Seanergy Maritime Holdings Corp.

Notes To The Unaudited Interim Consolidated Financial Statements

(All amounts in footnotes in thousands of US Dollars, except for share and per share and warrants data, unless otherwise stated)

Long-term debt and other financial liabilities: The carrying value of long-term debt and other financial liabilities with variable interest rates approximates the fair market value as the long-term debt and other financial liabilities bear interest at floating interest rate. The fair value of fixed interest long-term debt is estimated using prevailing market rates as of the period end. The Company believes the terms of its fixed interest long-term debt are similar to those that could be procured as of September 30, 2018, and the carrying value of \$2,000 approximates the fair market value of \$2,002. The fair value of the fixed interest long-term debt has been obtained through Level 2 inputs of the fair value hierarchy which includes observable inputs other than quoted prices included in Level 1.

Fair Value on a Nonrecurring Basis

As described in Note 6, the Company recognized an impairment loss of \$6,878 for the nine month period ended September 30, 2018 with respect to the two vessels classified as "Vessels Held for Sale" as of September 30, 2018. The carrying value of these vessels was written down to the fair value as determined by reference to their agreed sale prices less costs of sale obtained through Level 2 inputs of the fair value hierarchy which includes observable inputs other than quoted prices included in Level 1.

9. Commitments and Contingencies:

Contingencies

Various claims, lawsuits, and complaints, including those involving government regulations and product liability, arise in the ordinary course of the shipping business. In addition, losses may arise from disputes with charterers, agents, insurance and other claims with suppliers relating to the operations of the Company's vessels. Currently, management is not aware of any such claims or contingent liabilities, which should be disclosed, or for which a provision should be established in the accompanying consolidated financial statements.

The Company accrues for the cost of environmental liabilities when management becomes aware that a liability is probable and is able to reasonably estimate the probable exposure. Currently, management is not aware of any such claims or contingent liabilities, which should be disclosed, or for which a provision should be established in the accompanying consolidated financial statements. The Company is covered for liabilities associated with the individual vessels' actions to the maximum limits as provided by Protection and Indemnity (P&I) Clubs, members of the International Group of P&I Clubs.

Commitments

Future minimum contractual charter revenue, based on vessels committed to non-cancelable, time charter contracts as of September 30, 2018, will be \$5,676. These amounts do not include any assumed off-hire.

In April 2018, the Company moved into its new office spaces under a five year lease term, with a Company option to extend the lease term for another five years. The monthly rent is Euro 13,000 (or \$15,049 based on the Euro/U.S. dollar exchange rate of €1.0000:\$1.1576 as of September 30, 2018), which is adjusted annually by one percent for inflation. The first year rent payments have been prepaid as of September 30, 2018. Under ASC 842, the lease is classified as an operating lease and a lease liability and right-of-use asset based on the present value of future minimum lease payments have been recognized on the balance sheet. The monthly rent expense is recorded in General and administrative expenses.

Seanergy Maritime Holdings Corp.

Notes To The Unaudited Interim Consolidated Financial Statements

(All amounts in footnotes in thousands of US Dollars, except for share and per share and warrants data, unless otherwise stated)

The following table sets forth the Company's office rental obligations as at September 30, 2018:

Twelve month periods ending September 30,	Amount
2019	84
2020	183
2021	185
2022	187
2023	102
Total	741

10. Capital Structure:

Details of the Company's common stock and warrants are discussed in Note 10 of the consolidated financial statements for the year ended December 31, 2017, included in the Company's 2017 annual report on Form 20-F and are supplemented by the below new activities.

(a) Common Stock

On April 23, 2018, the Company received written notification from the NASDAQ Stock Market, indicating that because the closing bid price of the Company's common stock for 30 consecutive business days, from March 8, 2018 to April 20, 2018, was below the minimum \$1.00 per share bid price requirement for continued listing on the Nasdaq Capital Market, the Company is not in compliance with Nasdaq Listing Rule 5550(a)(2). Pursuant to Nasdaq Listing Rule 5810(c)(3)(A), the applicable grace period to regain compliance is 180 days, or until October 22, 2018. Since the Company failed to regain compliance until October 22, 2018 but met all other listing standards and requirements, the Company was granted on October 23, 2018 an additional 180-day grace period to regain compliance, until April 22, 2019 (Note 14).

(b) Warrants

As of September 30, 2018, the Company had outstanding warrants, including both the class A warrants and Warrant I and Warrant II issued to the representative of the underwriters, exercisable to purchase an aggregate of 12,065,000 shares of the Company's common shares.

11. Interest and Finance Costs:

Interest and finance costs are analyzed as follows:

	September 30,	
	2018	2017
Interest on long-term debt and other financial liabilities	11,070	8,669
Amortization of debt issuance costs	722	371
Other	400	48
Total	12,192	9,088



Seanergy Maritime Holdings Corp.

Notes To The Unaudited Interim Consolidated Financial Statements

(All amounts in footnotes in thousands of US Dollars, except for share and per share and warrants data, unless otherwise stated)

Interest and finance costs-related party are analyzed as follows:

	September 30,	
	2018	2017
Interest expense long term debt related party	1,260	840
Amortization of debt issuance costs related party	6	12
Convertible notes interest expense	2,077	1,170
Convertible notes amortization of debt discount	3,334	1,330
Total	6,677	3,352

12. Loss per Share:

The calculation of net loss per common share is summarized below:

	September 30,	
	2018	2017
Net loss	(17,872 )	(3,119 )
Weighted average common shares outstanding – basic	36,974,075	35,591,170
Net loss per common share – basic	\$(0.48 )	\$(0.09 )

As of September 30, 2018, 2017 and 2016, securities that could potentially dilute basic EPS in the future that were not included in the computation of diluted EPS, because to do so would have anti-dilutive effect, are any incremental shares of non-vested equity incentive plan shares (Note 13) and of unexercised warrants (Note 10), both calculated with the treasury stock method, as well as shares assumed to be converted with respect to the convertible promissory notes (Note 3) calculated with the if-converted method.

13. Equity Incentive Plan:

On February 1, 2018, the Compensation Committee granted an aggregate of 1,260,000 restricted shares of common stock pursuant to the 2011 Equity Incentive Plan, as amended. Of the total 1,260,000 shares issued, 575,000 shares were granted to the Company's board of directors, 665,000 shares were granted to certain of the Company's employees and 20,000 shares were granted to the sole director of the Company's commercial manager, a non-employee. The fair value of each share on the grant date was \$1.035. All the shares will vest over a period of two years. As of September 30, 2018, 1,831,532 shares remained reserved for issuance under the Company's Equity Incentive Plan.

Seanergy Maritime Holdings Corp.

Notes To The Unaudited Interim Consolidated Financial Statements

(All amounts in footnotes in thousands of US Dollars, except for share and per share and warrants data, unless otherwise stated)

Restricted shares during the nine-month periods ended September 30, 2018 and 2017 are analyzed as follows:

	Number of Shares	Weighted Average Grant Date Price
Outstanding at December 31, 2016	652,700	\$ 1.67
Outstanding at September 30, 2017	652,700	\$ 1.67
Outstanding at December 31, 2017	377,600	\$ 1.60
Granted	1,260,000	1.035
Vested	(420,024 )	1.035
Forfeited	(45,998 )	1.24
Outstanding at September 30, 2018	1,171,578	\$ 1.21

The fair value of the restricted shares has been determined with reference to the closing price of the Company's common share on the date the agreements were signed. The aggregate compensation cost is being recognized ratably in the consolidated statement of loss over the respective vesting periods. The related expense for shares granted to the Company's board of directors and certain of its employees for the nine-month periods ended September 30, 2018 and 2017, amounted to \$1,197 and \$641, respectively, and is included under general and administration expenses.

The unrecognized cost for the non-vested shares granted to the Company's board of directors and certain of its employees as of September 30, 2018 and 2017 amounted to \$297 and \$307, respectively. The related expense for shares granted to non-employees for the nine-month periods ended September 30, 2018 and 2017, amounted to \$20 and \$21, respectively, and is included under voyage expenses. At September 30, 2018, the weighted-average period over which the total compensation cost related to non-vested awards granted to the Company's board of directors and its other employees not yet recognized is expected to be recognized is 1 year.

14. Subsequent Events

On October 10, 2018, the Company entered into a supplemental letter with UniCredit Bank A.G. with regards to the September 11, 2015 facility in order to, among other things, (i) defer an installment repayment of \$1,552 due on September 25, 2018 to October 2018, (ii) agree to the sales of the Gladiatorship and the Guardianship (Note 6) and

a) (iii) agree for the underlying loan amounts to remain blocked in the vessels' earnings accounts, and instead of prepaying the loan, to remain available to fund the acquisition of a new Capesize vessel (Note 14g). The deferred installment was paid on October 11, 2018.

b) On October 11, 2018, the Gladiatorship was delivered to her new owners. Proceeds of \$9,505 were retained with UniCredit to fund the acquisition of a new Capesize vessel (Note 14g).

c) On October 23, 2018, the Company received written notification from the NASDAQ Stock Market, indicating that the Company was granted an additional 180-day grace period, until April 22, 2019, to cure its non-compliance with Nasdaq Listing Rule 5550(a)(2). The Company can cure this deficiency if the closing bid price of its common stock is \$1.00 per share or higher for at least ten consecutive business days during the grace period. The Company intends

to cure the deficiency within the prescribed grace period. During this time, the Company's common stock will continue to be listed and trade on the Nasdaq Capital Market.

F-21

---

Seanergy Maritime Holdings Corp.

Notes To The Unaudited Interim Consolidated Financial Statements

(All amounts in footnotes in thousands of US Dollars, except for share and per share and warrants data, unless otherwise stated)

On November 7, 2018, the Company entered into a \$23,500 sale and leaseback agreement for the Championship with Cargill International SA ("Cargill") for the purpose of refinancing the outstanding indebtedness of the Championship under the previous loan facility with Amsterdam Trade Bank dated September 25, 2017. The Company sold and chartered back the vessel from Cargill on a sub-bareboat basis for a five year period, having a purchase obligation at the end of the fifth year. The sub-bareboat charter is secured by an account pledge agreement and technical and commercial managers' undertakings. The cost of the financing is equivalent to an expected fixed interest rate of 4.69% for 5 years. The sale and leaseback agreement does not include any financial covenants or security value maintenance provisions. The Company has continuous options to buy back the vessel during the d) whole five-year sale and leaseback period at the end of which it has a purchase obligation at \$13,500. Moreover, as part of the transaction, the Company has issued 1,800,000 of its common shares to Cargill which are subject to customary statutory registration requirements. On the same date, Amsterdam Trade Bank entered into a deed of release, with respect to the Championship, releasing the underlying borrower in full after the settlement of the outstanding balance of \$15,700 pertaining to the specific vessel tranche. The first-priority mortgage over the Championship and all other securities created in favor of Amsterdam Trade Bank for the specific vessel tranche under the Amsterdam Trade Bank loan facility were irrevocably and unconditionally released pursuant to the deed of release. The second-priority mortgage over the Championship and all other securities created in favor of Jelco were also irrevocably and unconditionally released pursuant to a separate deed of release.

e) On November 19, 2018, the Guardianship was delivered to her new owners. Proceeds of \$10,332 were retained with UniCredit to fund the acquisition of a new Capesize vessel (Note 14g).

On November 22, 2018, the Company entered into an amended and restated loan facility of the September 11, 2015 UniCredit loan facility to (i) release the respective vessel-owning subsidiaries of the Gladiatorship and the Guardianship as borrowers and (ii) to include the vessel-owning subsidiary of the Fellowship. The first-priority mortgages over the Gladiatorship and Guardianship and all other securities created in favor of UniCredit for the specific vessels under the UniCredit facility were irrevocably and unconditionally released. The amendment and f) restatement of the facility did not alter the interest rate, the maturity date, the amortization and the repayment terms of the UniCredit facility, or the financial covenants applicable to the Company as guarantor. The amended and restated loan facility is secured by first preferred mortgages and general assignments covering earnings, insurances and requisition compensation over the Premiership and the Fellowship, earnings account pledges, shares security deeds relating to the shares of both vessels' owning subsidiaries, technical and commercial managers' undertakings and, where applicable, charter assignments.

g) On November 22, 2018, the Company took delivery of the Fellowship. The acquisition of the vessel was financed through the amended and restated loan facility with UniCredit (Note 14f) and by cash on hand. The vessel is chartered by a major European dry bulk operator under her previous ownership at a gross daily rate of \$17,150 with a latest redelivery date in January 2019.

F-22