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

FORM 20-F

(Mark One)

☐ **REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF THE SECURITIES EXCHANGE ACT OF 1934**

OR

☑ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2022

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

OR

☐ **SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
Date of event requiring this shell company report: Not applicable

For the transition period from __________________________ to __________________________

Commission file number 001-32458

DIANA SHIPPING INC.

(Exact name of Registrant as specified in its charter)

Diana Shipping Inc.

(Translation of Registrant's name into English)

Republic of the Marshall Islands

(Jurisdiction of incorporation or organization)

Pendelis 16, 175 64 Palaio Faliro, Athens, Greece

(Address of principal executive offices)

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(Name, Telephone, E-mail and/or Facsimile number and Address of Company Contact Person)

Securities registered or to be registered pursuant to Section 12(b) of the Act.

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, $0.01 par value including the Preferred Stock Purchase Rights	DSX	New York Stock Exchange
8.875% Series B Cumulative Redeemable Perpetual Preferred Shares, $0.01 par value	DSXPRB	New York Stock Exchange

Securities registered or to be registered pursuant to Section 12(g) of the Act.

None

(Title of Class)

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act.

None

(Title of Class)

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report.

As of December 31, 2022, there were 102,653,619 shares of the registrant's common stock outstanding

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

☐ Yes ☑ No

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.

☐ Yes ☑ No

Note – Checking the box above will not relieve any registrant required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 from their obligations under those Sections.

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

☑ Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

☑ Yes ☐ No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or an emerging growth company. See definition of "large accelerated filer", "accelerated filer" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐ Accelerated filer ☑ Non-accelerated filer ☐

Emerging growth company ☐

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards† provided pursuant to Section 13(a) of the Exchange Act. ☐

† The term "new or revised financial accounting standard" refers to any update issued by the Financial Accounting Standards Board to its Accounting Standards Codification after April 5, 2012.

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

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP ☑	International Financial Reporting Standards as issued by the International Accounting Standards Board ☐	Other ☐

If "Other" has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow.

☐ Item 17 ☐ Item 18

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

☐ Yes ☑ No

(APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY PROCEEDINGS DURING THE PAST FIVE YEARS)

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Sections 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court.

☐ Yes ☐ No

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FORWARD-LOOKING STATEMENTS

Matters discussed in this annual report and the documents incorporated by reference may constitute forward-looking statements. The Private Securities Litigation Reform Act of 1995 provides safe harbor protections for forward-looking statements in order to encourage companies to provide prospective information about their business. Forward-looking statements include, but are not limited to, statements concerning plans, objectives, goals, strategies, future events or performance, underlying assumptions and other statements, which are other than statements of historical facts.

Diana Shipping Inc., or the Company, desires to take advantage of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 and is including this cautionary statement in connection with this safe harbor legislation. This document and any other written or oral statements made by the Company or on its behalf may include forward-looking statements, which reflect its current views with respect to future events and financial performance, and are not intended to give any assurance as to future results. When used in this document, the words “believe”, “anticipate,” “intends,” “estimate,” “forecast,” “project,” “plan,” “potential,” “will,” “may,” “should,” “expect,” “targets,” “likely,” “would,” “could,” “seeks,” “continue,” “possible,” “might,” “pending,” and similar expressions, terms or phrases may identify forward-looking statements.

Please note in this annual report, “we”, “us”, “our” and “the Company” all refer to Diana Shipping Inc. and its subsidiaries, unless otherwise indicated.

The forward-looking statements in this document 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 its records and other data available from third parties. Although the Company believes 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 its control, the Company cannot assure you that it will achieve or accomplish these expectations, beliefs or projections.

Such statements reflect the Company’s current views with respect to future events and are subject to certain risks, uncertainties and assumptions. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described herein as anticipated, believed, estimated, expected or intended. The Company is making investors aware that such forward-looking statements, because they relate to future events, are by their very nature subject to many important factors that could cause actual results to differ materially from those contemplated.

In addition to these important factors and matters discussed elsewhere herein, including under the heading "Item 3. Key Information—D. Risk Factors," and in the documents incorporated by reference herein, important factors that, in its view, could cause actual results to differ materially from those discussed in the forward-looking statements include, but are not limited to:

- the strength of world economies;
- fluctuations in currencies and interest rates, and the impact of the discontinuance of the London Interbank Offered Rate for US Dollars, or LIBOR, after June 30, 2023 on any of our debt referencing LIBOR in the interest rate;
- general market conditions, including fluctuations in charter hire rates and vessel values;
- changes in demand in the dry-bulk shipping industry;

- changes in the supply of vessels, including when caused by new newbuilding vessel orders or changes to or terminations of existing orders, and vessel scrapping levels;

- changes in the Company's operating expenses, including bunker prices, crew costs, drydocking and insurance costs;

- the Company’s future operating or financial results;

- availability of financing and refinancing and changes to the Company’s financial condition and liquidity, including the Company’s ability to pay amounts that it owes and obtain additional financing to fund capital expenditures, acquisitions and other general corporate activities and the Company’s ability to obtain financing and comply with the restrictions and other covenants in the Company’s financing arrangements;

- changes in governmental rules and regulations or actions taken by regulatory authorities;

- potential liability from pending or future litigation;

- compliance with governmental, tax, environmental and safety regulation, any non-compliance with the U.S. Foreign Corrupt Practices Act of 1977 (FCPA) or other applicable regulations relating to bribery;

- the failure of counter parties to fully perform their contracts with the Company;

- the Company’s dependence on key personnel;

- adequacy of insurance coverage;

- the volatility of the price of the Company’s common shares;

- the Company’s incorporation under the laws of the Marshall Islands and the different rights to relief that may be available compared to other countries, including the United States;

- general domestic and international political conditions or labor disruptions;

- the impact of port or canal congestion or disruptions;

- the length and severity of the continuing novel coronavirus (COVID-19) outbreak and its impact in the dry-bulk shipping industry;

- potential physical disruption of shipping routes due to accidents, climate-related reasons (acute and chronic), political events, public health threats, international hostilities and instability, piracy or acts by terrorists; and

- other important factors described from time to time in the reports filed by the Company with the Securities and Exchange Commission, or the SEC, including those factors discussed in “Item 3. Key Information- D. Risk Factors” in this Annual Report on Form 20-F and the New York Stock Exchange, or the NYSE.

This report may contain assumptions, expectations, projections, intentions and beliefs about future events. These statements are intended as forward-looking statements. The Company may also from time to time make forward- looking statements in other documents and reports that are filed with or submitted to the Commission, in other information sent to the Company’s security holders, and in other written materials.

The Company also cautions that assumptions, expectations, projections, intentions and beliefs about future events may and often do vary from actual results and the differences can be material. The Company undertakes no obligation to publicly update or revise any forward-looking statement contained in this report, whether as a result of new information, future events or otherwise, except as required by law.

PART I

Item 1. Identity of Directors, Senior Management and Advisers

Not Applicable.

Item 2. Offer Statistics and Expected Timetable

Not Applicable.

Item 3. Key Information

A. [Reserved]

B. Capitalization and Indebtedness

Not Applicable.

C. Reasons for the Offer and Use of Proceeds

Not Applicable.

D. Risk Factors

Summary of Risk Factors

The below bullets summarize the principal risk factors related to an investment in our Company.

Industry Specific Risk Factors

- ***Charter hire rates for dry bulk vessels are volatile and have fluctuated significantly in the past years, which may adversely affect our earnings, revenues and profitability and our ability to comply with our loan covenants.***

- ***The current state of the global financial markets and economic conditions may adversely impact our ability to obtain additional financing on acceptable terms and otherwise negatively impact our business.***

- ***Our operating results may be affected by seasonal fluctuations.***

- ***An increase in the price of fuel, or bunkers, may adversely affect our profits.***

- ***We are subject to complex laws and regulations, including environmental regulations that can adversely affect the cost, manner or feasibility of doing business.***

- ***Increased inspection procedures, tighter import and export controls and new security regulations could increase costs and disrupt our business.***

- ***Operational risks and damage to our vessels could adversely impact our performance.***

- ***If our vessels call on ports located in countries or territories that are the subject of sanctions or embargoes imposed by the U.S. government, the European Union, the United Nations, or other governmental authorities, it could lead to monetary fines or penalties and may adversely affect our reputation and the market for our securities.***

- ***We conduct business in China, where the legal system is not fully developed and has inherent uncertainties that could limit the legal protections available to us.***

- ***Failure to comply with the U.S. Foreign Corrupt Practices Act could result in fines, criminal penalties and an adverse effect on our business.***

- ***Changing laws and evolving reporting requirements could have an adverse effect on our business.***

Company Specific Risk Factors

- ***The market values of our vessels could decline, which could limit the amount of funds that we can borrow and could trigger breaches of certain financial covenants contained in our loan facilities, which could adversely affect our operating results, and we may incur a loss if we sell vessels following a decline in their market values.***

- ***We charter some of our vessels on short-term time charters in a volatile shipping industry and a decline in charter hire rates could affect our results of operations and our ability to pay dividends.***

- ***Rising crew costs could adversely affect our results of operations.***

- ***Our investment in Diana Wilhelmsen Management Limited may expose us to additional risks.***

- ***A cyber-attack could materially disrupt our business.***

- ***Climate change and greenhouse gas restrictions may adversely impact our operations and markets.***

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

- ***Our earnings may be adversely affected if we are not able to take advantage of favorable charter rates.***

- ***Investment in derivative instruments such as forward freight agreements could result in losses.***

- ***We cannot assure you that we will be able to borrow amounts under loan facilities and restrictive covenants in our loan facilities impose financial and other restrictions on us.***

- ***We are subject to certain risks with respect to our counterparties on contracts, and failure of such counterparties to meet their obligations could cause us to suffer losses or otherwise adversely affect our business.***

- ***In the highly competitive international shipping industry, we may not be able to compete for charters with new entrants or established companies with greater resources, and as a result, we may be unable to employ our vessels profitably.***

- ***We may be unable to attract and retain key management personnel and other employees in the shipping industry, which may negatively impact the effectiveness of our management and results of operations.***

- ***Technological innovation and quality and efficiency requirements from our customers could reduce our charter hire income and the value of our vessels.***

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

- ***Our vessels may suffer damage and we may face unexpected drydocking costs, which could adversely affect our cash flow and financial condition.***

- ***The aging of our fleet may result in increased operating costs in the future, which could adversely affect our earnings.***

- ***We are exposed to U.S. dollar and foreign currency fluctuations and devaluations that could harm our reported revenue and results of operations.***

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

- ***We depend upon a few significant customers for a large part of our revenues and the loss of one or more of these customers could adversely affect our financial performance.***

- ***We are a holding company, and we depend on the ability of our subsidiaries to distribute funds to us in order to satisfy our financial obligations.***

- ***Because we are organized under the laws of the Marshall Islands, it may be difficult to serve us with legal process or enforce judgments against us, our directors or our management.***

- ***If we expand our business further, we may need to improve our operating and financial systems and will need to recruit suitable employees and crew for our vessels.***

- ***We may have to pay tax on U.S. source income, which would reduce our earnings.***

- ***United States tax authorities could treat us as a "passive foreign investment company," which could have adverse United States federal income tax consequences to United States holders.***

Risks Relating to Our Common Stock

- ***We cannot assure you that our board of directors will continue to declare dividends on shares of our common stock in the future.***

- ***The market prices and trading volume of our shares of common stock may experience rapid and substantial price volatility, which could cause purchasers of our common stock to incur substantial losses.***

- ***Since we are incorporated in the Marshall Islands, which does not have a well-developed body of corporate law, you may have more difficulty protecting your interests than shareholders of a U.S. corporation.***

- ***As a Marshall Islands corporation and with some of our subsidiaries being Marshall Islands entities and also having subsidiaries in other offshore jurisdictions, our operations may be subject to economic substance requirements, which could impact our business.***

- ***Certain existing shareholders will be able to exert considerable control over matters on which our shareholders are entitled to vote.***

- ***Future sales of our common stock could cause the market price of our common stock to decline.***

- ***Our Series B Preferred Shares are senior obligations of ours and rank prior to our common shares with respect to dividends, distributions and payments upon liquidation, which could have an adverse effect on the value of our common shares.***

Risks Relating to Our Series B Preferred Stock

- ***We may not have sufficient cash from our operations to enable us to pay dividends on our Series B Preferred Shares following the payment of expenses and the establishment of any reserves.***

- ***Our Series B Preferred Shares are subordinate to our indebtedness, and your interests could be diluted by the issuance of additional preferred shares, including additional Series B Preferred Shares, and by other transactions.***

- ***We may redeem the Series B Preferred Shares, and you may not be able to reinvest the redemption price you receive in a similar security.***

Some of the following risks relate principally to the industry in which we operate and our business in general. Other risks relate principally to the securities market and ownership of our securities, including our common stock and our Series B Preferred Shares. The occurrence of any of the events described in this section could significantly and negatively affect our business, financial condition, operating results, cash available for the payment of dividends on our shares and interest on our loan facilities and Bond, or the trading price of our securities.

Industry Specific Risk Factors

Charter hire rates for dry bulk vessels are volatile and have fluctuated significantly in the past years, which may adversely affect our earnings, revenues and profitability and our ability to comply with our loan covenants.

Substantially all of our revenues are derived from a single market, the dry bulk segment, and therefore our financial results are subject to cyclicality of the dry bulk shipping industry and any attendant volatility in charter hire rates and profitability. The degree of charter hire rate volatility among different types of dry bulk vessels has varied widely, and time charter and spot market rates for dry bulk vessel have in the recent past declined below the operating costs of vessels. When we charter our vessels pursuant to spot or short-term time charters, we are exposed to changes in spot market and short-term charter rates for dry bulk carriers and such changes may affect our earnings and the value of our dry bulk carriers at any given time. We cannot assure you that we will be able to successfully charter our vessels in the future or renew existing charters at rates sufficient to allow us to meet our obligations or pay any dividends in the future. Fluctuations in charter rates result from changes in the supply of and demand for vessel capacity and changes in the supply of and demand for the major commodities carried by water internationally. Because the factors affecting the supply of and demand for vessels are outside of our control and are unpredictable, the nature, timing, direction and degree of changes in industry conditions are also unpredictable. A significant decrease in charter rates would adversely affect our profitability, cash flows and may cause vessel values to decline, and, as a result, we may have to record an impairment charge in our consolidated financial statements which could adversely affect our financial results.

Dry bulk market conditions remained volatile in 2022, reflecting the impact of a broad economic slowdown, easing of port congestion, and the war in Ukraine. With the exception of a temporary sharp increase in rates in the immediate aftermath of Russia's invasion of Ukraine, rates generally trended downwards during the course of the year. In January and February 2023, we saw spot rates fall to extremely low levels, following normal seasonal patterns as well as Chinese New Year, which has reduced industrial activity in the region. Market conditions have improved since the lows of February and are expected to gradually improve over the course of 2023 as China's re-opening takes hold, however we cannot guarantee a trend towards recovery.

Factors that influence demand for dry bulk vessel capacity include:

- supply of and demand for energy resources, commodities, and semi-finished and finished consumer and industrial products;
- changes in the exploration or production of energy resources, commodities, and semi-finished and finished consumer and industrial products;
- the location of regional and global exploration, production and manufacturing facilities;
- the location of consuming regions for energy resources, commodities, and semi-finished and finished consumer and industrial products;
- the globalization of production and manufacturing;
- global and regional economic and political conditions, armed conflicts, including the ongoing conflict between Russia and Ukraine and fluctuations in industrial and agricultural production;
- disruptions and developments in international trade;
- changes in seaborne and other transportation patterns, including the distance cargo is transported by sea;
- international sanctions, embargoes, import and export restrictions, nationalizations, piracy, and terrorist attacks;

- legal and regulatory changes including regulations adopted by supranational authorities and/or industry bodies, such as safety and environmental regulations and requirements;
- weather and acts of God and natural disasters;
- environmental and other regulatory developments;
- currency exchange rates, specifically versus USD; and
- the continuing impact of the COVID-19 pandemic on the global economy.

Demand for our dry bulk oceangoing vessels is dependent upon economic growth in the world's economies, seasonal and regional changes in demand and changes to the capacity of the global dry bulk fleet and the sources and supply for dry bulk cargo transported by sea. Continued adverse economic, political or social conditions or other developments could further negatively impact charter rates and therefore have a material adverse effect on our business results, results of operations and ability to pay dividends.

Factors that influence the supply of dry bulk vessel capacity include:

- the number of newbuilding orders and deliveries, including slippage in deliveries;
- the number of shipyards and ability of shipyards to deliver vessels;
- port or canal congestion;
- potential disruption, including supply chain disruptions, of shipping routes due to accidents or political events;
- the scrapping of older vessels;
- speed of vessel operation;
- vessel casualties;
- technological advances in vessel design and capacity;
- the degree of scrapping or recycling of older vessels, depending, among other things, on scrapping or recycling rates and international scrapping or recycling regulations;
- the price of steel and vessel equipment;
- product imbalances (affecting level of trading activity) and developments in international trade;
- the number of vessels that are out of service, namely those that are laid-up, drydocked, awaiting repairs or otherwise not available for hire;
- availability of financing for new vessels and shipping activity;
- changes in international regulations that may effectively cause reductions in the carrying capacity of vessels or early obsolescence of tonnage; and
- changes in environmental and other regulations that may limit the useful lives and trading patterns of vessels.

In addition to the prevailing and anticipated freight rates, factors that affect the rate of newbuilding, scrapping and laying-up include newbuilding prices, secondhand vessel values in relation to scrap prices, costs of bunkers and other operating costs, costs associated with classification society surveys, normal maintenance and insurance coverage costs, the efficiency and age profile of the existing dry bulk fleet in the market and government and industry regulation of maritime transportation practices, particularly environmental protection laws and regulations. These factors influencing the supply of and demand for shipping capacity are outside of our control, and we may not be able to correctly assess the nature, timing and degree of changes in industry conditions.

We anticipate that the future demand for our dry bulk carriers will be dependent upon economic growth in the world's economies, including China and India, seasonal and regional changes in demand, changes in the capacity of the global dry bulk carrier fleet and the sources and supply of dry bulk cargo transported by sea. While there has been a general decrease in new dry bulk carrier ordering since 2014, the capacity of the global dry bulk carrier fleet could increase and economic growth may not resume in areas that have experienced a recession or continue in other areas. Adverse economic, political, social or other developments could have a material adverse effect on our business and operating results.

The current state of the global financial markets and economic conditions may adversely impact our ability to obtain additional financing on acceptable terms and otherwise negatively impact our business.

Global financial markets can be volatile and contraction in available credit may occur as economic conditions change. In recent years, operating businesses in the global economy have faced weakening demand for goods and services, deteriorating international liquidity conditions, and declining markets which lead to a general decline in the willingness of banks and other financial institutions to extend credit, particularly in the shipping industry. As the shipping industry is highly dependent on the availability of credit to finance and expand operations, it may be negatively affected by such changes and volatility.

Also, as a result of concerns about the stability of financial markets generally, and the solvency of counterparties specifically, the cost of obtaining money from the credit markets may increase if lenders increase interest rates, enact tighter lending standards, refuse to refinance existing debt at all or on terms similar to current debt, and reduce, or cease to provide funding to borrowers. Due to these factors, additional financing may not be available to the extent required, on acceptable terms or at all. If additional financing is not available when needed, or is available only on unfavorable terms, we may be unable to expand or meet our obligations as they come due or we may be unable to enhance our existing business, complete additional vessel acquisitions or otherwise take advantage of business opportunities as they arise.

Credit markets in the United States and Europe have in the past experienced significant contraction, deleveraging and reduced liquidity, and there is a risk that the U.S. federal government and state governments and European authorities continue to implement a broad variety of governmental action and/or new regulation of the financial markets. Global financial markets and economic conditions have been, and continue to be, disrupted and volatile. We face risks attendant to changes in economic environments, changes in interest rates, and instability in the banking and securities markets around the world, among other factors which may have a material adverse effect on our results of operations and financial condition and may cause the price of our common shares to decline. As of December 31, 2022, we had total outstanding indebtedness of $530.1 million under our various credit facilities and bond and a further $142.4 million of finance liabilities.

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

Major market disruptions and adverse changes in market conditions and regulatory climate in China, the United States, the European Union and worldwide may adversely affect our business or impair our ability to borrow amounts under credit facilities or any future financial arrangements.

Chinese dry bulk imports have accounted for the majority of global dry bulk transportation growth annually over the last decade. Accordingly, our financial condition and results of operations, as well as our future prospects, would likely be hindered by an economic downturn in any of these countries or geographic regions. In recent years China and India have been among the world's fastest growing economies in terms of gross domestic product, and any economic slowdown in the Asia Pacific region particularly in China or India may adversely affect demand for seaborne transportation of our products and our results of operations. Moreover, any deterioration in the economy of the United States or the European Union, may further adversely affect economic growth in Asia.

Economic growth is expected to slow, including due to supply-chain disruption, the recent surge in inflation and related actions by central banks and geopolitical conditions, with a significant risk of recession in many parts of the worlds in the near term. In particular, an adverse change in economic conditions affecting China, Japan, India or Southeast Asia generally could have a negative effect on the drybulk market.

The dry bulk carrier charter market has improved but remains significantly below its high in 2008, which may affect our revenues, earnings and profitability, and our ability to comply with our loan covenants.

The abrupt and dramatic downturn in the dry bulk charter market until the beginning of 2021, from which we derive substantially all of our revenues, severely affected the dry bulk shipping industry and our business. The Baltic Dry Index, or the BDI, a daily average of charter rates for key dry bulk routes published by the Baltic Exchange Limited, has long been viewed as the main benchmark to monitor the movements of the dry bulk vessel charter market and the performance of the entire dry bulk shipping market. The BDI declined 94% in 2008 from a peak of 11,793 in May 2008 to a low of 663 in December 2008 and has remained volatile since then, reaching a record low of 290 in February 2016. In 2022, the BDI ranged from a high of 3369 on May 23, 2022 to a low of 965 on August 31, 2022 to drop again to a low of 530 on February 16, 2023. The BDI has since recovered from the February 2023 levels and closed at 1484 on March 23, 2023. There can be no assurance that the dry bulk charter market will not decline further. The decline and volatility in charter rates is due to various factors, including the lack of trade financing for purchases of commodities carried by sea, which has resulted in a significant decline in cargo shipments, and the excess supply of iron ore in China, which has resulted in falling iron ore prices and increased stockpiles in Chinese ports. The decline and volatility in charter rates in the dry bulk market also affects the value of our dry bulk vessels, which follows the trends of dry bulk charter rates, and earnings on our charters, and similarly, affects our cash flows, liquidity and compliance with the covenants contained in our loan agreements.

Any decline in the dry bulk carrier charter market may have additional adverse consequences for our industry, including an absence of financing for vessels, no active secondhand market for the sale of vessels, charterers seeking to renegotiate the rates for existing time charters, and widespread loan covenant defaults in the dry bulk shipping industry. Accordingly, the value of our common shares could be substantially reduced or eliminated.

Worldwide inflationary pressures could negatively impact our results of operations and cash flows.

It has been recently observed that worldwide economies have experienced inflationary pressures, with price increases seen across many sectors globally. For example, the U.S. consumer price index, an inflation gauge that measures costs across dozens of items, rose 6.5% in December 2022 compared to the prior year, driven in large part by increases in energy costs. It remains to be seen whether inflationary pressures will continue, and to what degree, as central banks begin to respond to price increases. In the event that inflation becomes a significant factor in the global economy generally and in the shipping industry more specifically, inflationary pressures would result in increased operating, voyage and administrative costs. Furthermore, the effects of inflation on the supply and demand of the products we transport could alter demand for our services. Interventions in the economy by central banks in response to inflationary pressures may slow down economic activity, including by altering consumer purchasing habits and reducing demand for the commodities and products we carry, and cause a reduction in trade. As a result, the volumes of goods we deliver and/or charter rates for our vessels may be affected. Any of these factors could have an adverse effect on our business, financial condition, cash flows and operating results.

Regulations relating to ballast water discharge may adversely affect our revenues and profitability.

The IMO has imposed updated guidelines for ballast water management systems specifying the maximum amount of viable organisms allowed to be discharged from a vessel's ballast water. Depending on the date of the International Oil Pollution Prevention ('IOPP') renewal survey, existing vessels constructed before September 8, 2017 must comply with the updated D-2 Discharge Performance Standard ('D-2 standard') on or after September 8, 2019. For most vessels, compliance with the D-2 standard involves installing on-board systems to treat ballast water and eliminate unwanted organisms. Ships constructed on or after September 8, 2017 are to comply with the D-2 standard upon delivery. We currently have one vessel that does not comply with the updated guideline, which is scheduled to undergo such works in 2023.

Furthermore, United States regulations are currently changing. Although the 2013 Vessel General Permit ("VGP") program and U.S. National Invasive Species Act ("NISA") are currently in effect to regulate ballast discharge, exchange and installation, the Vessel Incidental Discharge Act ("VIDA"), which was signed into law on December 4, 2018, requires that the EPA develop national standards of performance for approximately 30 discharges, similar to those found in the VGP within two years. On October 26, 2020, the EPA published a Notice of Proposed Rulemaking for Vessel Incidental Discharge National Standards of Performance under VIDA. Within two years after the EPA publishes its final Vessel Incidental Discharge National Standards of Performance, the U.S. Coast Guard must develop corresponding implementation, compliance, and enforcement regulations regarding ballast water. The new regulations could require the installation of new equipment, which may cause us to incur substantial costs.

Risks associated with operating ocean-going vessels could affect our business and reputation, which could have a material adverse effect on our results of operations and financial condition.

The operation of ocean-going vessels carries inherent risks. These risks include the possibility of:

- marine disaster;
- acts of God;
- terrorism;
- environmental accidents;
- cargo and property losses or damage;
- business interruptions caused by mechanical failures, human error, war, political action in various countries, labor strikes or adverse weather conditions; and
- piracy or robbery.

In addition, international shipping is subject to various security and customs inspection and related procedures in countries of origin and destination and trans-shipment points. Inspection procedures can result in the seizure of the cargo and/or our vessels, delays in the loading, offloading or delivery and the levying of customs duties, fines or other penalties against us. It is possible that changes to inspection procedures could impose additional financial and legal obligations on us. Furthermore, changes to inspection procedures could also impose additional costs and obligations on our customers and may, in certain cases, render the shipment of certain types of cargo uneconomical or impractical. Any such changes or developments may have a material adverse effect on our business, results of operations, cash flows, financial condition and available cash.

Our operations outside the United States expose us to global risks, such as political instability, terrorist or other attacks, war, international hostilities and global public health concerns, which may affect the seaborne transportation industry and adversely affect our business.

We are an international shipping company and primarily conduct most of our operations outside the United States, and our business, results of operations, cash flows, financial condition and ability to pay dividends, if any, in the future may be adversely affected by changing economic, political and government conditions in the countries and regions where our vessels are employed or registered. Moreover, we operate in a sector of the economy that is likely to be adversely impacted by the effects of political conflicts.

Currently, the world economy faces a number of challenges, including trade tensions between the United States and China, stabilizing growth in China, continuing threat of terrorist attacks around the world, continuing instability and conflicts and other ongoing occurrences in the Middle East, Ukraine, and in other geographic areas and countries, as well as the public health concerns stemming from the ongoing COVID-19 outbreak.

In the past, political instability has also resulted in attacks on vessels, mining of waterways and other efforts to disrupt international shipping, particularly in the Arabian Gulf region and most recently in the Black Sea in connection with the recent conflicts between Russia and Ukraine. Acts of terrorism and piracy have also affected vessels trading in regions such as the South China Sea and the Gulf of Aden off the coast of Somalia. Any of these occurrences could have a material adverse impact on our future performance, results of operation, cash flows and financial position.

Beginning in February of 2022, President Biden and several European leaders announced various economic sanctions against Russia in connection with the aforementioned conflicts in the Ukraine region, which may adversely impact our business.

The United States Department of the Treasury's Office of Foreign Assets Control ("OFAC") administers and enforces multiple authorities under which sanctions have been imposed on Russia, including: the Russian Harmful Foreign Activities sanctions program, established by the Russia-related national emergency declared in Executive Order (E.O.) 14024 and subsequently expanded and addressed through certain additional authorities, and the Ukraine-Russia-related sanctions program, established with the Ukraine-related national emergency declared in E.O. 13660 and subsequently expanded and addressed through certain additional authorities. The United States has also issued several Executive Orders that prohibit certain transactions related to Russia, including the importation of certain energy products of Russian Federation origin (including crude oil, petroleum, petroleum fuels, oils, liquefied natural gas and coal), and all new investments in Russian by U.S. persons, among other prohibitions and export controls. Furthermore, the United States has also prohibited a variety of specified services related to the maritime transport of Russian Federation origin crude oil and petroleum products, including trading/commodities brokering, financing, shipping, insurance (including reinsurance and protection and indemnity), flagging, and customs brokering. These prohibitions took effect on December 5, 2022 with respect to the maritime transport of crude oil and February 5, 2023 with respect to the maritime transport of other petroleum products. An exception exists to permit such services when the price of the seaborne Russian oil does not exceed the relevant price cap; but implementation of this price exception relies on a recordkeeping and attestation process that allows each party in the supply chain of seaborne Russian oil to demonstrate or confirm that oil has been purchased at or below the price cap. Violations of the price cap policy or the risk that information, documentation, or attestations provided by parties in the supply chain are later determined to be false may pose additional risks adversely affecting our business. The ongoing conflict could result in the imposition of further economic sanctions or new categories of export restrictions against persons in or connected to Russia. While in general much uncertainty remains regarding the global impact of the conflict in Ukraine, it is possible that such tensions could adversely affect the Company's business, financial condition, results of operation and cash flows. For instance, on February 24, 2023 OFAC issued a new determination pursuant to Section 1(a)(i) of Executive Order 14024, which enables the imposition of sanctions on individuals and entities who operate or have operated in the metals and mining sector of the Russian economy. Increased restrictions on the metals and mining sector may pose additional risks adversely affecting our business.

Our business could also be adversely impacted by trade tariffs, trade embargoes or other economic sanctions that limit trading activities by the United States or other countries against countries in the Middle East, Asia or elsewhere as a result of terrorist attacks, hostilities or diplomatic or political pressures.

In addition, public health threats, such as COVID-19, influenza and other highly communicable diseases or viruses, outbreaks of which have from time to time occurred in various parts of the world in which we operate, including China, Japan and South Korea, which may even become pandemics, such as the COVID-19 virus, could lead to a significant decrease of demand for the transportation of dry bulk cargoes. Such events may also adversely impact our operations, including timely rotation of our crews, the timing of completion of any outstanding or future newbuilding projects or repair works in drydock as well as the operations of our customers. Delayed rotation of crew may adversely affect the mental and physical health of our crew and the safe operation of our vessels as a consequence.

Outbreaks of epidemic and pandemic diseases, including COVID-19, and governmental responses thereto could adversely affect our business.

Since the beginning of 2020, the COVID-19 pandemic has negatively affected economic conditions, supply chains, labor markets, demand for certain shipped goods both regionally and globally, and has also negatively impacted and may continue to impact our operations and the operations of our customers and suppliers. Over the course of the pandemic, measures taken to mitigate the spread of the COVID-19 virus have included travel bans, quarantines, social distancing, limitations on public gatherings, impositions on supply chain logistics, lockdowns and other emergency public health measures, resulting in a significant reduction in overall global economic activity and extreme volatility in the global financial markets. Relatively weak global economic conditions during periods of volatility have and may continue to have a number of adverse consequences for the dry bulk shipping sectors. While many of the measures taken were relaxed starting in 2021, we cannot predict whether and to what degree emergency public health and other measures will be reinstituted in the event of any resurgence in the COVID-19 virus or any variants thereof.

This year, we have experienced increases in crew travel and medical costs due to COVID-19. If a resurgence of COVID-19, including due to new variants, results in travel restrictions, supply chain disruptions, and other impediments to the orderly conduct of seaborne trade, such as those caused by China's "zero-covid" policy, there may be an additional material adverse effect on our results of operations, cash flows and financial condition. Further, prolongment of the COVID-19 pandemic could also impact credit markets and financial institutions and result in increased interest rate spreads and other costs of, and difficulty in obtaining, bank financing and our ability to finance the purchase price of vessel acquisitions, which could limit our ability to grow our business in line with our strategy.

Our operating results may be affected by seasonal fluctuations.

We operate our vessels in markets that have historically exhibited seasonal variations in demand and, as a result, in charter hire rates. This seasonality may result in quarter-to-quarter volatility in our operating results. The dry bulk carrier market is typically stronger in the fall and winter months in anticipation of increased consumption of coal and other raw materials in the northern hemisphere during the winter months. In addition, unpredictable weather patterns in these months tend to disrupt vessel scheduling and supplies of certain commodities. As a result, our revenues may be weaker during the fiscal quarters ending June 30 and September 30, and, conversely, our revenues may be stronger in fiscal quarters ending December 31 and March 31. While this seasonality does not directly affect our operating results, it could materially affect our operating results to the extent our vessels are employed in the spot market in the future.

An increase in the price of fuel, or bunkers, may adversely affect our profits.

While we generally will not bear the cost of fuel or bunkers for vessels operating on time charters, fuel is a significant factor in negotiating charter rates. As a result, an increase in the price of fuel beyond our expectations may adversely affect our profitability at the time of charter negotiation. Fuel is also a significant, if not the largest, expense in shipping when vessels are under voyage charter. The price and supply of fuel is unpredictable and fluctuates based on events outside our control, including geopolitical developments, supply and demand for oil and gas, actions by the Organization of Petroleum Exporting Countries (the "OPEC"), and other oil and gas producers, war and unrest in oil producing countries and regions, regional production patterns and environmental concerns. Any future increase in the cost of fuel may reduce the profitability and competitiveness of our business.

We are subject to complex laws and regulations, including environmental regulations that can adversely affect the cost, manner or feasibility of doing business.

Our business and the operations of our vessels are materially affected by environmental regulation in the form of international conventions, national, state and local laws and regulations in force in the jurisdictions in which our vessels operate, as well as in the country or countries of their registration, including those governing the management and disposal of hazardous substances and wastes, the cleanup of oil spills and other contamination, air emissions (including greenhouse gases), water discharges and ballast water management. These regulations include, but are not limited to, European Union regulations, the U.S. Oil Pollution Act of 1990, requirements of the U.S. Coast Guard, or USCG and the U.S. Environmental Protection Agency, the U.S. Clean Air Act of 1970 (including its amendments of 1977 and 1990) , the U.S. Clean Water Act, and the U.S. Maritime Transportation Security Act of 2002, and regulations of the IMO, including the International Convention on Civil Liability for Oil Pollution Damage of 1969, the International Convention for the Prevention of Pollution from Ships of 1973, as modified by the Protocol of 1978, collectively referred to as MARPOL 73/78 or MARPOL, including designations of Emission Control Areas, thereunder, SOLAS, the International Convention on Load Lines of 1966, the International Convention of Civil Liability for Bunker Oil Pollution Damage, and the ISM Code. Because such conventions, laws, and regulations are often revised, we cannot predict the ultimate cost of complying with such requirements or the impact thereof on the re-sale price or useful life of any vessel that we own or will acquire. Additional conventions, laws and regulations may be adopted that could limit our ability to do business or increase the cost of our doing business and which may materially adversely affect our operations. Government regulation of vessels, particularly in the areas of safety and environmental requirements, continue to change, requiring us to incur significant capital expenditures on our vessels to keep them in compliance, or even to scrap or sell certain vessels altogether. In addition, we may incur significant costs in meeting new maintenance and inspection requirements, in developing contingency arrangements for potential environmental violations and in obtaining insurance coverage.

In addition, we are required by various governmental and quasi-governmental agencies to obtain certain permits, licenses, certificates, approvals and financial assurances with respect to our operations. Our failure to maintain necessary permits, licenses, certificates, approvals or financial assurances could require us to incur substantial costs or temporarily suspend operation of one or more of the vessels in our fleet or lead to the invalidation or reduction of our insurance coverage.

Environmental requirements can also affect the resale value or useful lives of our vessels, require a reduction in cargo capacity, ship modifications or operational changes or restrictions, lead to decreased availability of insurance coverage for environmental matters or result in the denial of access to certain jurisdictional waters or ports, or detention in certain ports. Under local, national and foreign laws, as well as international treaties and conventions, we could incur material liabilities, including for cleanup obligations and natural resource damages, in the event that there is a release of petroleum or hazardous substances from our vessels or otherwise in connection with our operations. We could also become subject to personal injury or property damage claims relating to the release of hazardous substances associated with our existing or historic operations. Violations of, or liabilities under, environmental requirements can result in substantial penalties, fines and other sanctions, including in certain instances, seizure or detention of our vessels.

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

International shipping is subject to various security and customs inspection and related procedures in countries of origin, destination and trans-shipment points. Under the U.S. Maritime Transportation Security Act of 2002 ("MTSA"), the U.S. Coast Guard issued regulations requiring the implementation of certain security requirements aboard vessels operating in waters subject to the jurisdiction of the United States and at certain ports and facilities. These security procedures may result in cargo seizure, delays in the loading, offloading, trans-shipment or delivery and the levying of customs duties, fines or other penalties against us. It is possible that changes to inspection procedures could impose additional financial and legal obligations on us. Changes to inspection procedures could also impose additional costs and obligations on our customers and may, in certain cases, render the shipment of certain types of cargo uneconomical or impractical. Any such changes or developments may have a material adverse effect on our business, customer relations, financial condition and earnings.

Operational risks and damage to our vessels could adversely impact our performance.

The operation of an ocean-going vessel carries inherent risks. Our vessels and their cargoes are at risk of being damaged or lost because of events such as marine disasters, bad weather and other acts of God, business interruptions caused by mechanical failures, grounding, fire, explosions and collisions, human error, war, terrorism, piracy, labor strikes, boycotts and other circumstances or events. Changing economic, regulatory and political conditions in some countries, including political and military conflicts, have from time to time resulted in attacks on vessels, mining of waterways, piracy, terrorism, labor strikes and boycotts. Damage to the environment could also result from our operations, particularly through spillage of fuel, lubricants or other chemicals and substances used in operations, or extensive uncontrolled fires. These hazards may result in death or injury to persons, loss of revenues or property, the payment of ransoms, environmental damage, higher insurance rates, damage to our customer relationships and market disruptions, delay or rerouting, any of which may subject us to litigation. As a result, we could be exposed to substantial liabilities not recoverable under our insurances. Further, the involvement of our vessels in a serious accident could harm our reputation as a safe and reliable vessel operator and lead to a loss of business. Epidemics and other public health incidents may also lead to crew member illness, which can disrupt the operations of our vessels, or to public health measures, which may prevent our vessels from calling on ports or discharging cargo in the affected areas or in other locations after having visited the affected areas.

If our vessels suffer damage, they may need to be repaired at a drydocking facility. The costs of drydock repairs are unpredictable and may be substantial. We may have to pay drydocking costs that our insurance does not cover at all or in full. The loss of revenues while these vessels are being repaired and repositioned, as well as the actual cost of these repairs, may adversely affect our business and financial condition. In addition, space at drydocking facilities is sometimes limited and not all drydocking facilities are conveniently located. We may be unable to find space at a suitable drydocking facility or our vessels may be forced to travel to a drydocking facility that is not conveniently located relative to our vessels' positions. The loss of earnings while these vessels are forced to wait for space or to travel to more distant drydocking facilities may adversely affect our business and financial condition.

The operation of dry bulk vessels has certain unique operational risks. With a dry bulk vessel, the cargo itself and its interaction with the ship can be a risk factor. By their nature, dry bulk cargoes are often heavy, dense and easily shifted, and react badly to water exposure. In addition, dry bulk vessels are often subjected to battering treatment during unloading operations with grabs, jackhammers (to pry encrusted cargoes out of the hold), and small bulldozers. This treatment may cause damage to the dry bulk vessel. Dry bulk vessels damaged due to treatment during unloading procedures may be more susceptible to a breach at sea. Hull breaches in dry bulk vessels may lead to the flooding of their holds. If flooding occurs in the forward holds, the bulk cargo may become so waterlogged that the vessel's bulkheads may buckle under the resulting pressure leading to the loss of the dry bulk vessel. These risks may also impact the risk of loss of life or harm to our crew.

If we are unable to adequately maintain or safeguard our vessels, we may be unable to prevent these events. Any of these circumstances or events could negatively impact our business, financial condition or results of operations. In addition, the loss of any of our vessels could harm our crew and our reputation as a safe and reliable vessel owner and operator.

If our vessels call on ports located in countries or territories that are the subject of sanctions or embargoes imposed by the U.S. government, the European Union, the United Nations, or other governmental authorities, it could lead to monetary fines or penalties and may adversely affect our reputation and the market for our securities.

We have not engaged in shipping activities in countries or territories or with government-controlled entities in 2022 in violation of any applicable sanctions or embargoes imposed by the U.S. government, the EU, the United Nations or other applicable governmental authorities. Our contracts with our charterers may prohibit them from causing our vessels to call on ports located in sanctioned countries or territories or carrying cargo for entities that are the subject of sanctions. Although our charterers may, in certain causes, control the operation of our vessels, we have monitoring processes in place reasonably designed to ensure our compliance with applicable economic sanctions and embargo laws. Nevertheless, it remains possible that our charterers may cause our vessels to trade in violation of sanctions provisions without our consent. If such activities result in a violation of applicable sanctions or embargo laws, we could be subject to monetary fines, penalties, or other sanctions, and our reputation and the market for our common shares could be adversely affected.

The applicable sanctions and embargo laws and regulations of these difference jurisdictions vary in their application and do not all apply to the same covered persons or proscribe the same activities. In addition, the sanctions and embargo laws and regulations of each jurisdiction may be amended to increase or reduce the restrictions they impose over time, and the lists of persons and entities designated under these laws and regulations are amended frequently. Moreover, most sanctions regimes provide that entities owned or controlled by the persons or entities designated in such lists are also subject to sanctions. The U.S. and EU have enacted new sanctions programs in recent years. Additional countries or territories, as well as additional persons or entities within or affiliated with those countries or territories, have, and in the future will, become the target of sanctions. These require us to be diligent in ensuring our compliance with sanctions laws. Further, the U.S. has increased its focus on sanctions enforcement with respect to the shipping sector. Current or future counterparties of ours may be affiliated with persons or entities that are or may be in the future the subject of sanctions or embargoes imposed by the United States, EU, and/or other international bodies. If we determine that such sanctions require us to terminate existing or future contracts to which we, or our subsidiaries, are party or if we are found to be in violation of such applicable sanctions, our results of operations may be adversely affected, or we may suffer reputational harm.

As a result of Russia's actions in Ukraine, the U.S., EU and United Kingdom, together with numerous other countries and self-sanctioning, have imposed significant sanctions on persons and entities associated with Russia and Belarus, as well as comprehensive sanctions on certain areas within the Donbas region of Ukraine, and such sanctions apply to entities owned or controlled by such designated persons or entities. These sanctions adversely affect our ability to operate in the region and also restrict parties whose cargo we may carry.

Although we believe that we have been in compliance with all applicable sanctions and embargo laws and regulations in 2022 and up to the date of this annual report, and intend to maintain such compliance, there can be no assurance that we or our charterers will be in compliance in the future, particularly as the scope of certain laws may be unclear and may be subject to changing interpretations. Any such violation could result in fines, penalties or other sanctions that could severely impact our ability to access U.S. capital markets and conduct our business and could result in our reputation and the markets for our securities to be adversely affected and/or in some investors deciding, or being required, to divest their interest, or not to invest, in us. In addition, certain institutional investors may have investment policies or restrictions that prevent them from holding securities of companies that have contracts with countries or territories identified by the U.S. government as state sponsors of terrorism. The determination by these investors not to invest in, or to divest from, our shares may adversely affect the price at which our shares trade. Moreover, our charterers may violate applicable sanctions and embargo laws and regulations as a result of actions that do not involve us or our vessels, and those violations could in turn negatively affect our reputation. In addition, our reputation and the market for our securities may be adversely affected if we engage in certain other activities, such as entering into charters with individuals or entities that are not controlled by the governments of countries or territories that are the subject of certain U.S. sanctions or embargo laws, or engaging in operations associated with those countries or territories pursuant to contracts with third parties that are unrelated to those countries or territories or entities controlled by their governments. Investor perception of the value of our common stock may be adversely affected by the consequences of war, the effects of terrorism, civil unrest and governmental actions in countries or territories that we operate in.

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

We expect that our vessels will call in ports in areas where smugglers attempt to hide drugs and other contraband on vessels, with or without the knowledge of crew members. To the extent our vessels are found with contraband, whether inside or attached to the hull of our vessel and whether with or without the knowledge of any of our crew, we may face governmental or other regulatory claims which could have an adverse effect on our business, results of operations, cash flows and financial condition.

Maritime claimants could arrest or attach one or more of our vessels, which could interrupt our business or have a negative effect on our cash flows.

Crew members, suppliers of goods and services to a vessel, shippers of cargo, lenders, and other parties may be entitled to a maritime lien against a vessel for unsatisfied debts, claims or damages. In many jurisdictions, a maritime lien holder may enforce its lien by "arresting" or "attaching" a vessel through judicial or foreclosure proceedings. The arrest or attachment of one or more of our vessels could interrupt the cash flow of the charterer and/or require us to pay a significant amount of money to have the arrest or attachment lifted, which would have an adverse effect on our cash flows.

In addition, in some jurisdictions, such as South Africa, under the "sister-ship" theory of liability, a claimant may arrest both the vessel that is subject to the claimant's maritime lien and any "associated" vessel, which is any vessel owned or controlled by the same owner. Claimants could try to assert "sister-ship" liability against one vessel in our fleet for claims relating to another of our ships. Under some of our present charters, if the vessel is arrested or detained as a result of a claim against us, we may be in default of our charter and the charterer may suspend the payment of hire under the charter and charge us with any additional expenses incurred during that period, which may negatively impact our revenues and cash flows.

We conduct business in China, where the legal system is not fully developed and has inherent uncertainties that could limit the legal protections available to us.

Some of our vessels may be chartered to Chinese customers and from time to time on our charterers' instructions, our vessels may call on Chinese ports. Such charters and voyages may be subject to regulations in China that may require us to incur new or additional compliance or other administrative costs and may require that we pay to the Chinese government new taxes or other fees. Applicable laws and regulations in China may not be well publicized and may not be known to us or to our charterers in advance of us or our charterers becoming subject to them, and the implementation of such laws and regulations may be inconsistent. Changes in Chinese laws and regulations, including with regards to tax matters, or changes in their implementation by local authorities could affect our vessels if chartered to Chinese customers as well as our vessels calling to Chinese ports and could have a material adverse impact on our business, financial condition and results of operations.

Governments could requisition our vessels during a period of war or emergency, resulting in a loss of earnings.

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

Failure to comply with the U.S. Foreign Corrupt Practices Act could result in fines, criminal penalties and an adverse effect on our business.

We may operate in a number of countries throughout the world, including countries suspected to have a risk of corruption. We are committed to doing business in accordance with applicable anti-corruption laws and have adopted measures designed to ensure compliance with the U.S. Foreign Corrupt Practices Act of 1977, as amended (the “FCPA”). We are subject, however, to the risk that we, our affiliated entities or our or their respective officers, directors, employees and agents may take actions determined to be in violation of such anti-corruption laws, including the FCPA. Any such violation could result in substantial fines, sanctions, civil and/or criminal penalties, curtailment of operations in certain jurisdictions, and might adversely affect our business, earnings or financial condition. In addition, actual or alleged violations could damage our reputation and ability to do business. Furthermore, detecting, investigating, and resolving actual or alleged violations is expensive and can consume significant time and attention of our senior management.

Changing laws and evolving reporting requirements could have an adverse effect on our business.

Changing laws, regulations and standards relating to reporting requirements, including the European Union General Data Protection Regulation, or GDPR, may create additional compliance requirements for us.

GDPR broadens the scope of personal privacy laws to protect the rights of European Union citizens and requires organizations to report on data breaches within 72 hours and be bound by more stringent rules for obtaining the consent of individuals on how their data can be used. GDPR has become enforceable on May 25, 2018 and non-compliance may expose entities to significant fines or other regulatory claims which could have an adverse effect on our business, financial condition, and operations.

Company Specific Risk Factors

The market values of our vessels could decline, which could limit the amount of funds that we can borrow and could trigger breaches of certain financial covenants contained in our loan facilities, which could adversely affect our operating results, and we may incur a loss if we sell vessels following a decline in their market values.

While the market values of vessels and the freight charter market have a very close relationship as the charter market moves from trough to peak, the time lag between the effect of charter rates on market values of ships can vary.

The market values of our vessels have generally experienced high volatility, and you should expect the market values of our vessels to fluctuate depending on a number of factors including:

- the prevailing level of charter hire rates;
- general economic and market conditions affecting the shipping industry;
- competition from other shipping companies and other modes of transportation;
- the types, sizes and ages of vessels;
- the supply of and demand for vessels;
- applicable governmental or other regulations;
- technological advances;
- the need to upgrade vessels as a result of charterer requirements, technological advances in vessel design or equipment or otherwise; and
- the cost of newbuildings.

If the market values of our vessels decline, we may not be in compliance with certain covenants contained in our loan facilities and we may not be able to refinance our debt or obtain additional financing or incur debt on terms that are acceptable to us or at all. As of December 31, 2022, we were in compliance with all of the covenants in our loan facilities. If we are not able to comply with the covenants in our loan facilities or are unable to obtain waivers or amendments or otherwise remedy the relevant breach, our lenders could accelerate our debt and foreclose on our vessels.

Furthermore, if we sell any of our owned vessels at a time when prices are depressed, our business, results of operations, cash flow and financial condition could be adversely affected. Moreover, if we sell a vessel at a time when vessel prices have fallen, the sale may be at less than the vessel's carrying amount in our financial statements, resulting in a loss and a reduction in earnings. In addition, if vessel values decline, we may have to record an impairment adjustment in our financial statements which could adversely affect our financial results.

We charter some of our vessels on short-term time charters in a volatile shipping industry and a decline in charter hire rates could affect our results of operations and our ability to pay dividends.

Although significant exposure to short-term time charters is not unusual in the dry bulk shipping industry, the short-term time charter market is highly competitive and spot market charter hire rates (which affect time charter rates) may fluctuate significantly based upon available charters and the supply of, and demand for, seaborne shipping capacity. While the short-term time charter market may enable us to benefit in periods of increasing charter hire rates, we must consistently renew our charters and this dependence makes us vulnerable to declining charter rates. As a result of the volatility in the dry bulk carrier charter market, we may not be able to employ our vessels upon the termination of their existing charters at their current charter hire rates or at all. The dry bulk carrier charter market is volatile, and in the recent past, short-term time charter and spot market charter rates for some dry bulk carriers declined below the operating costs of those vessels before rising. We cannot assure you that future charter hire rates will enable us to operate our vessels profitably, or to pay dividends.

Rising crew costs could adversely affect our results of operations.

Due to an increase in the size of the global shipping fleet, the limited supply of and increased demand for crew has created upward pressure on crew costs. Additionally, the return of a number of Ukrainian seafarers to their homes as a result of the ongoing war in Ukraine has reduced the number of seafarers globally, and thereby increased the pressure on crew wages. Continued higher crew costs or further increases in crew costs could adversely affect our results of operations.

Our investment in Diana Wilhelmsen Management Limited may expose us to additional risks.

During 2015 we invested in a 50/50 joint venture with Wilhelmsen Ship Management which provides management services to a limited number of vessels in our fleet and to affiliated companies, but our eventual goal is to provide fleet management services to unaffiliated third party vessel operators. While this joint venture may provide us in the future with a potential revenue source, it may also expose us to risks such as low customer satisfaction, increased operating costs compared to those we would achieve for our vessels, and inability to adequately staff our vessels with crew that meets our expectations or to maintain our vessels according to our standards, which would adversely affect our financial condition.

A cyber-attack could materially disrupt our business.

We rely on information technology systems and networks in our operations and administration of our business. Information systems are vulnerable to security breaches by computer hackers and cyber terrorists. We rely on industry accepted security measures and technology to securely maintain confidential and proprietary information maintained on our information systems. However, these measures and technology may not adequately prevent security breaches. Our business operations could be targeted by individuals or groups seeking to sabotage or disrupt our information technology systems and networks, or to steal data. A successful cyber-attack could materially disrupt our operations, including the safety of our operations, or lead to unauthorized release of information or alteration of information in our systems. Any such attack or other breach of our information technology systems could have a material adverse effect on our business and results of operations. In addition, the unavailability of the information systems or the failure of these systems to perform as anticipated for any reason could disrupt our business and could result in decreased performance and increased operating costs, causing our business and results of operations to suffer. Any significant interruption or failure of our information systems or any significant breach of security could adversely affect our business and results of operations. Our systems were the subject of a malicious attack in September 2020 that resulted in disruptions to our computer networks for a period of several days. We were able to successfully fully restore our systems without interruption to our business or operations. Since then, we have taken extensive measures to enhance our security infrastructure, reform network architecture, and implement rigorous security policies in line with ISO27001.

Key initiatives include establishing security testing, business continuity, disaster recovery, and incident response programs, as well as implementing multi-factor authentication and a vulnerability management framework. Despite these improvements we cannot assure you that we will be able to successfully thwart all future attacks with causing material and adverse effect on our business.

Moreover, cyber-attacks against the Ukrainian government and other countries in the region have been reported in connection with the recent conflict between Russia and Ukraine. To the extent such attacks have collateral effects on global critical infrastructure or financial institutions, such developments could adversely affect our business, operating results and financial condition. At this time, it is difficult to assess the likelihood of such threat and any potential impact at this time.

Even without actual breaches of information security, protection against increasingly sophisticated and prevalent cyberattacks may result in significant future prevention, detection, response and management costs, or other costs, including the deployment of additional cybersecurity technologies, engaging third-party experts, deploying additional personnel and training employees. Further, as cyberthreats are continually evolving, our controls and procedures may become inadequate, and we may be required to devote additional resources to modify or enhance our systems in the future. Such expenses could have a material adverse effect on our future performance, results of operations, cash flows and financial position.

Climate change and greenhouse gas restrictions may adversely impact our operations and markets.

Due to concern over the risk of climate change, a number of countries and the IMO have adopted, or are considering the adoption of, regulatory frameworks to reduce greenhouse gas emissions. These regulatory measures may include, among others, adoption of cap and trade regimes, carbon taxes, increased efficiency standards and incentives or mandates for renewable energy. More specifically, on October 27, 2016, the International Maritime Organization's Marine Environment Protection Committee ("MEPC") announced its decision concerning the implementation of regulations mandating a reduction in sulfur emissions from 3.5% currently to 0.5% as of the beginning of January 1, 2020. Additionally, in April 2018, nations at the MEPC 72 adopted an initial strategy to reduce greenhouse gas emissions from ships. The initial strategy identifies —levels of ambition to reducing greenhouse gas emissions, including (1) decreasing the carbon intensity from ships through implementation of further phases of the EEDI for new ships; (2) reducing carbon dioxide emissions per transport work, as an average across international shipping, by at least 40% by 2030, pursuing efforts towards 70% by 2050, compared to 2008 emission levels; and (3) reducing the total annual greenhouse emissions by at least 50% by 2050 compared to 2008 while pursuing efforts towards phasing them out entirely.

Since January 1, 2020, ships have to either remove sulfur from emissions or buy fuel with low sulfur content, which may lead to increased costs and supplementary investments for ship owners. The interpretation of "fuel oil used on board" includes use in main engine, auxiliary engines and boilers. We have elected to comply with this regulation by using 0.5% sulfur fuels on board, which are available around the world but often at a higher cost and may result in higher costs than other companies that elected to install scrubbers on their vessels.

In addition, although the emissions of greenhouse gases from international shipping currently are not subject to the Kyoto Protocol to the United Nations Framework Convention on Climate Change, which required adopting countries to implement national programs to reduce emissions of certain gases, or the Paris Agreement (discussed further below), a new treaty may be adopted in the future that includes restrictions on shipping emissions. Compliance with changes in laws, regulations and obligations relating to climate change could increase our costs related to operating and maintaining our vessels and require us to install new emission controls, acquire allowances or pay taxes related to our greenhouse gas emissions or administer and manage a greenhouse gas emissions program. Revenue generation and strategic growth opportunities may also be adversely affected.

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

Companies across all industries are facing increasing scrutiny relating to their ESG policies. Investor advocacy groups, certain institutional investors, investment funds, lenders and other market participants are increasingly focused on ESG practices and in recent years have placed increasing importance on the implications and social cost of their investments. The increased focus and activism related to ESG and similar matters may hinder access to capital, as investors and lenders may decide to reallocate capital or to not commit capital as a result of their assessment of a company's ESG practices. Companies which do not adapt to or comply with investor, lender or other industry shareholder expectations and standards, which are evolving, or which are perceived to have not responded appropriately to the growing concern for ESG issues, regardless of whether there is a legal requirement to do so, may suffer from reputational damage and the business, financial condition, and/or stock price of such a company could be materially and adversely affected.

In February 2021, the Acting Chair of the SEC issued a statement directing the Division of Corporation Finance to enhance its focus on climate-related disclosure in public company filings and in March 2021 the SEC announced the creation of a Climate and ESG Task Force in the Division of Enforcement (the "Task Force"). The Task Force's goal is to develop initiatives to proactively identify ESG-related misconduct consistent with increased investor reliance on climate and ESG-related disclosure and investment. To implement the Task Force's purpose, the SEC has taken several enforcement actions, with the first enforcement action taking place in May 2022, and promulgated new rules. On March 21, 2022, the SEC proposed that all public companies are to include extensive climate-related information in their SEC filings. On May 25, 2022, SEC proposed a second set of rules aiming to curb the practice of "greenwashing" (i.e., making unfounded claims about one's ESG efforts) and would add proposed amendments to rules and reporting forms that apply to registered investment companies and advisers, advisers exempt from registration, and business development companies. As of the date of this annual report, these proposed rules have not yet taken effect.

We may face increasing pressures from investors, lenders and other market participants, who are increasingly focused on climate change, to prioritize sustainable energy practices, reduce our carbon footprint and promote sustainability. As a result, we may be required to implement more stringent ESG procedures or standards so that our existing and future investors and lenders remain invested in us and make further investments in us. For example, in February 2021, we established a Sustainability Committee and in March 2021, we signed an agreement with American Bureau of Shipping ("ABS") to implement the ABS Environmental MonitorTM digital sustainability solution across all our vessels managed by Diana Shipping Services S.A. Additionally, in May 2021, we signed a sustainability - linked loan facility with ABN AMRO Bank N.V., through six wholly-owned subsidiaries. Under this loan, the margin amount that we are required to pay can be either increased or decreased depending on our ability to achieve certain sustainability performance targets related to our fleet's carbon emissions. If we do not meet the standards in this loan, our business could be harmed.

Additionally, certain investors and lenders may exclude companies, such as us, from their investing portfolios altogether due to environmental, social and governance factors. These limitations in both the debt and equity capital markets may affect our ability to grow as our plans for growth may include accessing the equity and debt capital markets. If those markets are unavailable, or if we are unable to access alternative means of financing on acceptable terms, or at all, we may be unable to implement our business strategy, which would have a material adverse effect on our financial condition and results of operations and impair our ability to service our indebtedness. Further, it is likely that we will incur additional costs and require additional resources to monitor, report and comply with wide ranging ESG requirements. The occurrence of any of the foregoing could have a material adverse effect on our business and financial condition.

Moreover, from time to time, in alignment with our sustainability priorities, we may establish and publicly announce goals and commitments in respect of certain ESG items. While we may create and publish voluntary disclosures regarding ESG matters from time to time, many of the statements in those voluntary disclosures are based on hypothetical expectations and assumptions that may or may not be representative of current or actual risks or events or forecasts of expected risks or events, including the costs associated therewith. Such expectations and assumptions are necessarily uncertain and may be prone to error or subject to misinterpretation given the long timelines involved and the lack of an established single approach to identifying, measuring and reporting on many ESG matters. If we fail to achieve or improperly report on our progress toward achieving our environmental goals and commitments, the resulting negative publicity could adversely affect our reputation and/or our access to capital.

The Public Company Accounting Oversight Board inspection of our independent accounting firm, could lead to findings in our auditors' reports and challenge the accuracy of our published audited consolidated financial statements.

Auditors of U.S. public companies are required by law to undergo periodic Public Company Accounting Oversight Board, or PCAOB, inspections that assess their compliance with U.S. law and professional standards in connection with performance of audits of financial statements filed with the SEC. For several years certain European Union countries, including Greece, did not permit the PCAOB to conduct inspections of accounting firms established and operating in such European Union countries, even if they were part of major international firms. Accordingly, unlike for most U.S. public companies, the PCAOB was prevented from evaluating our auditor's performance of audits and its quality control procedures, and, unlike stockholders of most U.S. public companies, we and our stockholders were deprived of the possible benefits of such inspections. Since 2015, Greece has agreed to allow the PCAOB to conduct inspections of accounting firms operating in Greece. In the future, such PCAOB inspections could result in findings in our auditors' quality control procedures, question the validity of the auditor's reports on our published consolidated financial statements and the effectiveness of our internal control over financial reporting, and cast doubt upon the accuracy of our published audited financial statements.

Our earnings may be adversely affected if we are not able to take advantage of favorable charter rates.

We charter our dry bulk carriers to customers pursuant to short, medium or long-term time charters. However, as part of our business strategy, the majority of our vessels are currently fixed on medium-term time charters. We may extend the charter periods for additional vessels in our fleet, including additional dry bulk carriers that we may purchase in the future, to take advantage of the relatively stable cash flow and high utilization rates that are associated with long-term time charters. While we believe that long-term charters provide us with relatively stable cash flows and higher utilization rates than shorter-term charters, our vessels that are committed to long-term charters may not be available for employment on short-term charters during periods of increasing short-term charter hire rates when these charters may be more profitable than long-term charters.

Investment in derivative instruments such as forward freight agreements could result in losses.

Forward freight agreements, or FFAs and other derivative instruments may be used to hedge a vessel owner's exposure to the charter market by providing for the sale of a contracted charter rate along a specified route and period of time. Upon settlement, if the contracted charter rate is less than the average of the rates, as reported by an identified index, for the specified route and period, the seller of the FFA is required to pay the buyer an amount equal to the difference between the contracted rate and the settlement rate, multiplied by the number of days in the specified period. Conversely, if the contracted rate is greater than the settlement rate, the buyer is required to pay the seller the settlement sum. If we take positions in FFAs or other derivative instruments and do not correctly anticipate charter rate movements over the specified route and time period, we could suffer losses in the settling or termination of the FFA. This could adversely affect our results of operations and cash flows.

We may have difficulty effectively managing our growth, which may adversely affect our earnings.

Since the completion of our initial public offering in March 2005, we have increased our fleet to 51 vessels in operation in 2017, and as of the date of this annual report we have 41 vessels in operation, owned and chartered-in. We may grow our fleet further in the future and this may require us to increase the number of our personnel. We may also have to increase our customer base to provide continued employment for the new vessels.

Any future growth will primarily depend on our ability to:

- locate and acquire suitable vessels;
- identify and consummate acquisitions or joint ventures;
- enhance our customer base;
- manage our expansion; and
- obtain required financing on acceptable terms.

Growing any business by acquisition presents numerous risks, such as undisclosed liabilities and obligations, the possibility that indemnification agreements will be unenforceable or insufficient to cover potential losses and difficulties associated with imposing common standards, controls, procedures and policies, obtaining additional qualified personnel, managing relationships with customers and integrating newly acquired assets and operations into existing infrastructure. We cannot give any assurance that we will be successful in executing any future growth plans or that we will not incur significant expenses and losses in connection with our future growth.

We cannot assure you that we will be able to borrow amounts under loan facilities and restrictive covenants in our loan facilities impose financial and other restrictions on us.

Historically, we have entered into several loan agreements to finance vessel acquisitions, the construction of newbuildings and working capital. As of December 31, 2022, we had $530.1 million outstanding under our facilities and bond. Our ability to borrow amounts under our facilities is subject to the execution of customary documentation relating to the facility, including security documents, satisfaction of certain customary conditions precedent and compliance with terms and conditions included in the loan documents. Prior to each drawdown, we are required, among other things, to provide the lender with acceptable valuations of the vessels in our fleet confirming that the vessels in our fleet have a minimum value and that the vessels in our fleet that secure our obligations under the facilities are sufficient to satisfy minimum security requirements. To the extent that we are not able to satisfy these requirements, including as a result of a decline in the value of our vessels, we may not be able to draw down the full amount under the facilities without obtaining a waiver or consent from the lender. We will also not be permitted to borrow amounts under the facilities if we experience a change of control.

The loan facilities also impose operating and financial restrictions on us. These restrictions may limit our ability to, among other things:

- pay dividends if there is a default under the loan facilities or if the payment of the dividend would result in a default or breach of a loan covenants;

- incur additional indebtedness, including through the issuance of guarantees;

- change the flag, class or management of our vessels;

- create liens on our assets;

- sell our vessels;

- enter into a time charter or consecutive voyage charters that have a term that exceeds, or which by virtue of any optional extensions may exceed a certain period;

- merge or consolidate with, or transfer all or substantially all our assets to, another person; and

- enter into a new line of business.

Therefore, we may need to seek permission from our lenders in order to engage in some corporate actions. Our lenders' interests may be different from ours and we cannot guarantee that we will be able to obtain our lenders' permission when needed. This may limit our ability to finance our future operations, make acquisitions or pursue business opportunities.

We cannot assure you that we will be able to refinance indebtedness incurred under our loan facilities and bond.

We cannot assure you that we will be able to refinance our indebtedness with equity offerings or otherwise, on terms that are acceptable to us or at all. If we are not able to refinance these amounts with the net proceeds of equity offerings or otherwise, on terms acceptable to us or at all, we will have to dedicate a greater portion of our cash flow from operations to pay the principal and interest of this indebtedness than if we were able to refinance such amounts. If we are not able to satisfy these obligations, we may have to undertake alternative financing plans. The actual or perceived credit quality of our charterers, any defaults by them, and the market value of our fleet, among other things, may materially affect our ability to obtain alternative financing. In addition, debt service payments under our loan facilities or alternative financing may limit funds otherwise available for working capital, capital expenditures and other purposes. If we are unable to meet our debt obligations, or if we otherwise default under our loan facilities or an alternative financing arrangement, our lenders could declare the debt, together with accrued interest and fees, to be immediately due and payable and foreclose on our fleet, which could result in the acceleration of other indebtedness that we may have at such time and the commencement of similar foreclosure proceedings by other lenders.

Purchasing and operating secondhand vessels may result in increased operating costs and reduced operating days, which may adversely affect our earnings.

As part of our current business strategy to increase our owned fleet, we may acquire new and secondhand vessels. While we rigorously inspect previously owned or secondhand vessels prior to purchase, this does not provide us with the same knowledge about their condition and cost of any required (or anticipated) repairs that we would have had if these vessels had been built for and operated exclusively by us. Accordingly, we may not discover defects or other problems with secondhand vessels prior to purchasing or chartering-in, or may incur costs to terminate a purchase agreement. Any such hidden defects or problems may require us to put a vessel into drydock, which would reduce our fleet utilization and increase our operating costs. If a hidden defect or problem is not detected, it may result in accidents or other incidents for which we may become liable to third parties.

In general, the costs to maintain a vessel in good operating condition increase with the age of the vessel. Older vessels are typically less fuel-efficient than more recently constructed vessels due to improvements in engine technology. Cargo insurance rates increase with the age of a vessel, making older vessels less desirable to charterers.

Furthermore, governmental regulations, safety or other equipment standards related to the age of vessels may require expenditures for alterations, or the addition of new equipment and may restrict the type of activities in which the vessel may engage. As our vessels age, market conditions may not justify those expenditures or enable us to operate our vessels profitably during the remainder of their useful lives.

We are subject to certain risks with respect to our counterparties on contracts, and failure of such counterparties to meet their obligations could cause us to suffer losses or otherwise adversely affect our business.

We enter into, among other things, charter parties with our customers. Such agreements subject us to counterparty risks. The ability and willingness of each of our counterparties to perform its obligations under a contract with us will depend on a number of factors that are beyond our control and may include, among other things, general economic conditions, the condition of the maritime and offshore industries, the overall financial condition of the counterparty, charter rates received for specific types of vessels, and various expenses. Should a counterparty fail to honor its obligations under agreements with us, we could sustain significant losses, which could have a material adverse effect on our business, financial condition, results of operations and cash flows.

In addition, in depressed market conditions, our charterers may no longer need a vessel that is currently under charter or may be able to obtain a comparable vessel at lower rates. As a result, charterers may seek to renegotiate the terms of their existing charter agreements or avoid their obligations under those contracts. If our charterers fail to meet their obligations to us or attempt to renegotiate our charter agreements, it may be difficult to secure substitute employment for such vessels, and any new charter arrangements we secure may be at lower rates. As a result, we could sustain significant losses, which could have a material adverse effect on our business, financial condition, results of operations and cash flows.

In the highly competitive international shipping industry, we may not be able to compete for charters with new entrants or established companies with greater resources, and as a result, we may be unable to employ our vessels profitably.

The operation of dry bulk vessels and transportation of dry bulk cargoes is extremely competitive and fragmented. Competition for the transportation of dry bulk cargoes by sea is intense and depends on price, location, size, age, condition and the acceptability of the vessel and its operators to the charterers. Competition arises primarily from other vessel owners, some of whom have substantially greater resources than we do. Due in part to the highly fragmented market, competitors with greater resources than us could enter the dry bulk shipping industry and operate larger fleets through consolidations or acquisitions and may be able to offer lower charter rates and higher quality vessels than we are able to offer. If we are unable to successfully compete with other dry bulk shipping companies, our results of operations may be adversely impacted.

We may be unable to attract and retain key management personnel and other employees in the shipping industry, which may negatively impact the effectiveness of our management and results of operations.

Our success depends to a significant extent upon the abilities and efforts of our management team. We have entered into employment contracts with our Chief Executive Officer Mrs. Semiramis Paliou; our

President, Mr. Anastasios Margaronis; our Chief Financial Officer, Chief Strategy Officer, Treasurer and Secretary Mr. Ioannis Zafirakis and our Chief Operating Officer Mr. Eleftherios Papatrifon. On February 22, 2023, Mr. Eleftherios Papatrifon resigned from his position of the Chief Operating Officer and since that date serves as a member of the board of directors. Our success will depend upon our ability to retain key members of our management team and to hire new members as may be necessary. The loss of any of these individuals could adversely affect our business prospects and financial condition. Difficulty in hiring and retaining replacement personnel could have a similar effect. We do not currently, nor do we intend to, maintain “key man” life insurance on any of our officers or other members of our management team.

Technological innovation and quality and efficiency requirements from our customers could reduce our charter hire income and the value of our vessels.

Our customers have a high and increasing focus on quality and compliance standards with their suppliers across the entire supply chain, including the shipping and transportation segment. Our continued compliance with these standards and quality requirements is vital for our operations. The charter hire rates and the value and operational life of a vessel are determined by a number of factors including the vessel’s efficiency, operational flexibility and physical life. Efficiency includes speed, fuel economy and the ability to load and discharge cargo quickly. Flexibility includes the ability to enter harbors, utilize related docking facilities and pass through canals and straits. The length of a vessel’s physical life is related to its original design and construction, its maintenance and the impact of the stress of operations. We face competition from companies with more modern vessels having more fuel efficient designs than our vessels, or eco vessels, and if new dry bulk vessels are built that are more efficient or more flexible or have longer physical lives than the current eco vessels, competition from the current eco vessels and any more technologically advanced vessels could adversely affect the amount of charter hire payments we receive for our vessels and the resale value of our vessels could significantly decrease. Similarly, technologically advanced vessels are needed to comply with environmental laws the investment in which along with the foregoing could have a material adverse effect on our results of operations, charter hire payments and resale value of vessels. This could have an adverse effect on our results of operations, cash flows, financial condition and ability to pay dividends.

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

We procure insurance for our fleet against risks commonly insured against by vessel owners and operators. Our current insurance includes hull and machinery insurance, war risks insurance and protection and indemnity insurance (which includes environmental damage and pollution insurance). We can give no assurance that we are adequately insured against all risks or that our insurers will pay a particular claim. Even if our insurance coverage is adequate to cover our losses, we may not be able to timely obtain a replacement vessel in the event of a loss. Furthermore, in the future, we may not be able to obtain adequate insurance coverage at reasonable rates for our fleet. We may also be subject to calls, or premiums, in amounts based not only on our own claim records but also the claim records of all other members of the protection and indemnity associations through which we receive indemnity insurance coverage for tort liability. Our insurance policies also contain deductibles, limitations and exclusions which, although we believe are standard in the shipping industry, may nevertheless increase our costs.

Our vessels may suffer damage and we may face unexpected drydocking costs, which could adversely affect our cash flow and financial condition.

If our vessels suffer damage, they may need to be repaired at a drydocking facility. The costs of drydock repairs are unpredictable and can be substantial. The loss of earnings while a vessel is being repaired and repositioned, as well as the actual cost of these repairs not covered by our insurance, would decrease our earnings and available cash. We may not have insurance that is sufficient to cover all or any of the costs or losses for damages to our vessels and may have to pay drydocking costs not covered by our insurance.

The aging of our fleet may result in increased operating costs in the future, which could adversely affect our earnings.

In general, the cost of maintaining a vessel in good operating condition increases with the age of the vessel. As of the date of this annual report, our fleet consists of 41 vessels in operation, owned and chartered-in, having a combined carrying capacity of 4.7 million dead weight tons, or dwt, and a weighted average age of 9.9 years. As our fleet ages, we will incur increased costs. Older vessels are typically less fuel efficient and more costly to maintain than more recently constructed vessels due to improvements in engine technology. Cargo insurance rates increase with the age of a vessel, making older vessels less desirable to charterers. Governmental regulations and safety or other equipment standards related to the age of vessels may also require expenditures for alterations or the addition of new equipment to our vessels and may restrict the type of activities in which our vessels may engage. We cannot assure you that, as our vessels age, market conditions will justify those expenditures or enable us to operate our vessels profitably during the remainder of their useful lives.

We are exposed to U.S. dollar and foreign currency fluctuations and devaluations that could harm our reported revenue and results of operations.

We generate all of our revenues in U.S. dollars but incur around half of our operating expenses and our general and administrative expenses in currencies other than the U.S. dollar, primarily the Euro. Because a significant portion of our expenses is incurred in currencies other than the U.S. dollar, our expenses may from time to time increase relative to our revenues as a result of fluctuations in exchange rates, particularly between the U.S. dollar and the Euro, which could affect the amount of net income that we report in future periods. While we historically have not mitigated the risk associated with exchange rate fluctuations through the use of financial derivatives, we may employ such instruments from time to time in the future in order to minimize this risk. Our use of financial derivatives would involve certain risks, including the risk that losses on a hedged position could exceed the nominal amount invested in the instrument and the risk that the counterparty to the derivative transaction may be unable or unwilling to satisfy its contractual obligations, which could have an adverse effect on our results.

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

As certain of our current financing agreements have, and our future financing arrangements may have, floating interest rates, typically based on LIBOR, movements in interest rates could negatively affect our financial performance. The publication of U.S. Dollar LIBOR for the one-week and two-month U.S. Dollar LIBOR tenors ceased on December 31, 2021, and the ICE Benchmark Administration ("IBA"), the administrator of LIBOR, with the support of the United States Federal Reserve and the United Kingdom's Financial Conduct Authority, announced the publication of all other U.S. Dollar LIBOR tenors will cease on June 30, 2023. The United States Federal Reserve concurrently issued a statement advising banks to cease issuing U.S. Dollar LIBOR instruments after 2021. As such, any new loan agreements we enter into will not use LIBOR as an interest rate, and we will need to transition our existing loan agreements from U.S. Dollar LIBOR to an alternative reference rate prior to June 2023.

In order to manage our exposure to interest rate fluctuations under LIBOR, the Secured Overnight Financing Rate, or "SOFR", or any other alternative rate, we have and may from time to time use interest rate derivatives to effectively fix some of our floating rate debt obligations. No assurance can however be given that the use of these derivative instruments, if any, may effectively protect us from adverse interest rate movements. The use of interest rate derivatives may affect our results through mark to market valuation of these derivatives. Also, adverse movements in interest rate derivatives may require us to post cash as collateral, which may impact our free cash position. Interest rate derivatives may also be impacted by the transition from LIBOR to SOFR or other alternative rates.

Our financing agreements contain a provision requiring or permitting us to enter into negotiations with our lenders to agree to an alternative interest rate or an alternative basis for determining the interest rate in anticipation of the cessation of LIBOR. These clauses present significant uncertainties as to how alternative reference rates or alternative bases for determination of rates would be agreed upon, as well as the potential for disputes or litigation with our lenders regarding the appropriateness or comparability to LIBOR of any substitute indices, such as SOFR, and any credit adjustment spread between the two benchmarks. In the absence of an agreement between us and our lenders, most of our financing agreements provide that LIBOR would be replaced with some variation of the lenders' cost-of-funds rate. The discontinuation of LIBOR presents a number of risks to our business, including volatility in applicable interest rates among our financing agreements, potential increased borrowing costs for future financing agreements or unavailability of or difficulty in attaining financing, which could in turn have an adverse effect on our profitability, earnings and cash flow.

We depend upon a few significant customers for a large part of our revenues and the loss of one or more of these customers could adversely affect our financial performance.

We have historically derived a significant part of our revenues from a small number of charterers. During 2022, 2021, and 2020, approximately 34%, 10% and 34%, respectively, of our revenues were derived from two, one and two charterers, respectively. If one or more of our charterers chooses not to charter our vessels or is unable to perform under one or more charters with us and we are not able to find a replacement charter, we could suffer a loss of revenues that could adversely affect our financial condition and results of operations.

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

We are a holding company and our subsidiaries conduct all of our operations and own all of our operating assets. We have no significant assets other than the equity interests in our subsidiaries. As a result, our ability to satisfy our financial obligations depends on our subsidiaries and their ability to distribute funds to us. If we are unable to obtain funds from our subsidiaries, we may not be able to satisfy our financial obligations.

Because we are organized under the laws of the Marshall Islands, it may be difficult to serve us with legal process or enforce judgments against us, our directors or our management.

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

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

We are incorporated under the laws of the Republic of the Marshall Islands and we conduct operations in countries around the world. Consequently, in the event of any bankruptcy, insolvency, liquidation, dissolution, reorganization or similar proceeding involving us or any of our subsidiaries, bankruptcy laws other than those of the United States could apply. If we become a debtor under U.S. bankruptcy law, bankruptcy courts in the United States may seek to assert jurisdiction over all of our assets, wherever located, including property situated in other countries. There can be no assurance, however, that we would become a debtor in the United States, or that a U.S. bankruptcy court would be entitled to, or accept, jurisdiction over such a bankruptcy case, or that courts in other countries that have jurisdiction over us and our operations would recognize a U.S. bankruptcy court's jurisdiction if any other bankruptcy court would determine it had jurisdiction.

If we expand our business further, we may need to improve our operating and financial systems and will need to recruit suitable employees and crew for our vessels.

Our current operating and financial systems may not be adequate if we further expand the size of our fleet and our attempts to improve those systems may be ineffective. In addition, if we expand our fleet further, we will need to recruit suitable additional seafarers and shoreside administrative and management personnel. While we have not experienced any difficulty in recruiting to date, we cannot guarantee that we will be able to continue to hire suitable employees if we expand our fleet. If we or our crewing agents encounter business or financial difficulties, we may not be able to adequately staff our vessels. If we are unable to grow our financial and operating systems or to recruit suitable employees should we determine to expand our fleet, our financial performance may be adversely affected, among other things.

We may have to pay tax on U.S. source income, which would reduce our earnings.

Under the U.S. Internal Revenue Code of 1986, as amended, or the Code, 50% of the gross shipping income of a vessel-owning or chartering corporation, such as ourselves and our subsidiaries, that is attributable to transportation that begins or ends, but that does not both begin and end, in the United States is characterized as U.S. source shipping income and such income is generally subject to a 4% U.S. federal income tax without allowance for deductions, unless that corporation qualifies for exemption from tax under Section 883 of the Code and the Treasury Regulations promulgated thereunder.

We expect that we and each of our subsidiaries qualify for this statutory tax exemption for the 2022 taxable year and we will take this position for U.S. federal income tax return reporting purposes. However, there are factual circumstances beyond our control that could cause us to lose the benefit of this tax exemption in future years and thereby become subject to U.S. federal income tax on our U.S. source shipping income. For example, in certain circumstances we may no longer qualify for exemption under Code Section 883 for a particular taxable year if shareholders, other than "qualified shareholders", with a five percent or greater interest in our common shares owned, in the aggregate, 50% or more of our outstanding common shares for more than half the days during the taxable year. Due to the factual nature of the issues involved, we can give no assurances on our tax-exempt status or that of any of our subsidiaries.

If we or our subsidiaries are not entitled to this exemption under Section 883 of the Code for any taxable year, we or our subsidiaries would be subject for those years to a 4% U.S. federal income tax on our gross U.S.-source shipping income. The imposition of this taxation could have a negative effect on our business and would result in decreased earnings available for distribution to our shareholders, although, for the 2022 taxable year, we estimate our maximum U.S. federal income tax liability to be immaterial if we were subject to this U.S. federal income tax. See "Item 10. Additional Information—E. Taxation" for a more comprehensive discussion of U.S. federal income tax considerations.

U.S. federal tax authorities could treat us as a "passive foreign investment company", which could have adverse U.S. federal income tax consequences to U.S. shareholders.

A foreign corporation will be treated as a "passive foreign investment company", or PFIC, for U.S. federal income tax purposes if either (1) at least 75% of its gross income for any taxable year consists of certain types of "passive income" or (2) at least 50% of the average value of the corporation's assets produce or are held for the production of those types of "passive income." For purposes of these tests, "passive income" includes dividends, interest, gains from the sale or exchange of investment property, and rents and royalties other than rents and royalties which are received from unrelated parties in connection with the active conduct of a trade or business. For purposes of these tests, income derived from the performance of services does not constitute “passive income.” U.S. shareholders of a PFIC are subject to a disadvantageous U.S. federal income tax regime with respect to the income derived by the PFIC, the distributions they receive from the PFIC and the gain, if any, they derive from the sale or other disposition of their shares in the PFIC.

Based on our current and proposed method of operation, we do not believe that we will be a PFIC with respect to any taxable year. In this regard, we intend to treat the gross income we derive or are deemed to derive from our time chartering activities as services income, rather than rental income. Accordingly, we believe that our income from our time chartering activities does not constitute “passive income,” and the assets that we own and operate in connection with the production of that income do not constitute assets that produce or are held for the production of “passive income”.

There is substantial legal authority supporting this position consisting of case law and U.S. Internal Revenue Service, or “IRS”, pronouncements concerning the characterization of income derived from time charters and voyage charters as services income for other tax purposes. However, it should be noted that there is also authority which characterizes time charter income as rental income rather than services income for other tax purposes. Accordingly, no assurance can be given that the IRS or a court of law will accept this position, and there is a risk that the IRS or a court of law could determine that we are a PFIC. Moreover, no assurance can be given that we would not constitute a PFIC for any future taxable year if the nature and extent of our operations changed.

If the IRS or a court of law were to find that we are or have been a PFIC for any taxable year, our U.S. shareholders would face adverse U.S. federal income tax consequences. Under the PFIC rules, unless those shareholders make an election available under the Code (which election could itself have adverse consequences for such shareholders), such shareholders would be subject to U.S. federal income tax at the then prevailing U.S. federal income tax rates on ordinary income plus interest upon excess distributions and upon any gain from the disposition of our common stock, as if the excess distribution or gain had been recognized ratably over the shareholder's holding period of our common stock. See “Item 10. Additional Information—E. Taxation–United States Taxation of U.S. Holders–PFIC Status and Significant Tax Consequences" for a more comprehensive discussion of the U.S. federal income tax consequences to U.S. holders of our common stock if we are or were to be treated as a PFIC.

Risks Relating to Our Common Stock

We cannot assure you that our board of directors will continue to declare dividends on shares of our common stock in the future.

In order to position us to take advantage of market opportunities in a then-deteriorating market, our board of directors, beginning with the fourth quarter of 2008, suspended our common stock dividend. As a result of improving market conditions in 2022, our board of directors elected to declare quarterly dividends and a special non-cash dividend. Our board of directors have also declared a cash dividend paid on March 20, 2023 and a noncash dividend payable on May 16, 2023 and we intend to declare and pay quarterly cash dividends with respect to the next three quarters of 2023 in an amount of not less than $0.15 per share. The actual declaration of future cash dividends, and the establishment of record and payment dates, is subject to final determination by our board of directors each quarter after its review of the company's financial performance. We cannot assure you that our board of directors will declare and pay dividends going forward. Our dividend policy is assessed by our board of directors from time to time, based on prevailing market conditions, available cash, uses of capital, contingent liabilities, the terms of our loan facilities, our growth strategy and other cash needs, the requirements of Marshall Islands law and other factors deemed relevant to our board of directors. In addition, other external factors, such as our lenders imposing restrictions on our ability to pay dividends under the terms of our loan facilities, may limit our ability to pay dividends. Further, under the terms of our loan agreements, we may not be permitted to pay dividends that would result in an event of default or if an event of default has occurred and is continuing.

Our growth strategy contemplates that we will finance the acquisition of additional vessels through a combination of debt and equity financing on terms acceptable to us. If financing is not available to us on acceptable terms, our board of directors may determine to finance or refinance acquisitions with cash from operations, which could also reduce or even eliminate the amount of cash available for the payment of dividends.

Marshall Islands law generally prohibits the payment of dividends other than from surplus (retained earnings and the excess of consideration received for the sale of shares above the par value of the shares) or while a company is insolvent or would be rendered insolvent by the payment of such a dividend. We may not have sufficient surplus in the future to pay dividends.

In addition, our ability to pay dividends to holders of our common shares will be subject to the rights of holders of our Series B Preferred Shares, which rank senior to our common shares with respect to dividends, distributions and payments upon liquidation. No cash dividend may be paid on our common stock unless full cumulative dividends have been or contemporaneously are being paid or provided for on all outstanding Series B Preferred Shares for all prior and the then-ending dividend periods. Cumulative dividends on our Series B Preferred Shares accrue at a rate of 8.875% per annum per $25.00 stated liquidation preference per Series B Preferred Share, subject to increase upon the occurrence of certain events, and are payable, as and if declared by our board of directors, on January 15, April 15, July 15 and October 15 of each year, or, if any such dividend payment date otherwise would fall on a date that is not a business day, the immediately succeeding business day. For additional information about our Series B Preferred Shares, please see the section entitled "Description of Registrant's Securities to be Registered" of our registration statement on Form 8-A filed with the SEC on February 13, 2014 and incorporated by reference herein.

The market prices and trading volume of our shares of common stock may experience rapid and substantial price volatility, which could cause purchasers of our common stock to incur substantial losses.

Our shares of our common stock may experience similar rapid and substantial price volatility unrelated to our financial performance, which could cause purchasers of our common stock to incur substantial losses, which may be unpredictable and not bear any relationship to our business and financial performance. Extreme fluctuations in the market price of our common stock may occur in response to strong and atypical retail investor interest, including on social media and online forums, the direct access by retail investors to broadly available trading platforms, the amount and status of short interest in our common stock and our other securities, access to margin debt, trading in options and other derivatives on our shares of common stock and any related hedging and other trading factors:

If there is extreme market volatility and trading patterns in our common stock, it may create several risks for purchasers of our shares, including the following:

- the market price of our common stock may experience rapid and substantial increases or decreases unrelated to our operating performance or prospects, or macro or industry fundamentals;
- if our future market capitalization reflects trading dynamics unrelated to our financial performance or prospects, purchasers of our common stock could incur substantial losses as prices decline once the level of market volatility has abated;

- if the future market price of our common stock declines, purchasers of shares of common stock in this offering may be unable to resell such shares at or above the price at which they acquired them. We cannot assure such purchasers that the market of our common stock will not fluctuate or decline significantly in the future, in which case investors in this offering could incur substantial losses.

Further, we may incur rapid and substantial increases or decreases in our common stock price in the foreseeable future that may not coincide in timing with the disclosure of news or developments by or affecting us. Accordingly, the market price of our common stock may fluctuate dramatically, and may decline rapidly, regardless of any developments in our business. Overall, there are various factors, many of which are beyond our control, that could negatively affect the market price of our common stock or result in fluctuations in the price or trading volume of our common stock, including:

- actual or anticipated variations in our annual or quarterly results of operations, including our earnings estimates and whether we meet market expectations with regard to our earnings;

- our ability to pay dividends or other distributions;

- publication of research reports by analysts or others about us or the shipping industry in which we operate which may be unfavorable, inaccurate, inconsistent or not disseminated on a regular basis;

- changes in market valuations of similar companies;

- market reaction to any additional equity, debt or other securities that we may issue in the future, and which may or may not dilute the holdings of our existing stockholders;

- additions or departures of key personnel;

- actions by institutional or significant stockholders;

- short interest in our common stock or our other securities and the market response to such short interest;

- the dramatic increase in the number of individual holders of our common stock and their participation in social media platforms targeted at speculative investing;

- speculation in the press or investment community about our company or industries in which we operate;

- strategic actions by us or our competitors, such as acquisitions or other investments;

- legislative, administrative, regulatory or other actions affecting our business, our industry;

- investigations, proceedings, or litigation that involve or affect us;

- the occurrence of any of the other risk factors included in this registration statement of which this prospectus forms a part; and

- general market and economic conditions.

Since we are incorporated in the Marshall Islands, which does not have a well-developed body of corporate law, you may have more difficulty protecting your interests than shareholders of a U.S. corporation.

Our corporate affairs are governed by our amended and restated articles of incorporation and bylaws and by the Marshall Islands Business Corporations Act, or the BCA. The provisions of the BCA resemble provisions of the corporation laws of a number of states in the United States. However, there have been few judicial cases in the Marshall Islands interpreting the BCA. The rights and fiduciary responsibilities of directors under the laws of the Marshall Islands are not as clearly established as the rights and fiduciary responsibilities of directors under statutes or judicial precedent in existence in the United States. The rights of shareholders of the Marshall Islands may differ from the rights of shareholders of companies incorporated in the United States. While the BCA provides that it is to be interpreted according to the laws of the State of Delaware and other states with substantially similar legislative provisions, there have been few, if any, court cases interpreting the BCA in the Marshall Islands and we cannot predict whether Marshall Islands courts would reach the same conclusions as U.S. courts. Thus, you may have more difficulty in protecting your interests in the face of actions by the management, directors or controlling shareholders than would shareholders of a corporation incorporated in a U.S. jurisdiction which has developed a relatively more substantial body of case law.

As a Marshall Islands corporation and with some of our subsidiaries being Marshall Islands entities and also having subsidiaries in other offshore jurisdictions, our operations may be subject to economic substance requirements, which could impact our business.

We are a Marshall Islands corporation and some of our subsidiaries are Marshall Islands entities. The Marshall Islands has enacted economic substance laws and regulations with which we may be obligated to comply. We believe that we and our subsidiaries are compliant with the Marshall Islands economic substance requirements. However, if there were a change in the requirements or interpretation thereof, or if there were an unexpected change to our operations, any such change could result in noncompliance with the economic substance legislation and related fines or other penalties, increased monitoring and audits, and dissolution of the non-compliant entity, which could have an adverse effect on our business, financial condition or operating results.

EU Finance ministers rate jurisdictions for tax rates and tax transparency, governance and real economic activity. Countries that are viewed by such finance ministers as not adequately cooperating, including by not implementing sufficient standards in respect of the foregoing, may be put on a “grey list” or a “blacklist”. As of December 31, 2022, the Marshall Islands remained "white-listed" by the EU. However, on February 14, 2023, the Marshall Islands was placed by the EU on its list of non-cooperative jurisdictions for tax purposes, on the grounds that Marshall Islands facilitates offshore structures and arrangements aimed at attracting profits without real economic substance as they failed to fulfil their commitments to the Code of Conduct Group with regard to economic substance requirements. At present, the impact of being included on the list of non-cooperative jurisdictions for tax purposes is unclear. Although we understand that the Marshall Islands is committed to full cooperation with the EU and expects to be moved back to the "white list" in October 2023, subject to review by the EU Council, there is no assurance that such a reclassification will occur.

If the Marshall Islands is not removed from the list and sanctions or other financial, tax or regulatory measures were applied by European Member States to countries on the list or further economic substance requirements were imposed by the Marshall Islands, our business could be harmed.

EU member states have agreed upon a set of measures, which they can choose to apply against grey- or blacklisted countries, including monitoring and audits, withholding taxes, special documentation requirements and anti-abuse provisions. The European Commission has stated it will continue to support member states' efforts to develop a more coordinated approach to sanctions for the listed countries. EU legislation prohibits EU funds from being channeled or transited through entities in countries on the blacklist. Other jurisdictions in which we operate could be put on the blacklist in the future.

Certain existing shareholders will be able to exert considerable influence over matters on which our shareholders are entitled to vote.

As of the date of this annual report, Mrs. Semiramis Paliou, our Chief Executive Officer and Director, beneficially owns 16,883,779 shares, or approximately 15.9% of our outstanding common stock, which is held indirectly through entities over which she exercises sole voting power. Mrs. Paliou controls 10,675 shares of Series C Preferred Stock, par value $0.01 per share, issued on January 31, 2019, and 400 shares of Series D Preferred Stock, issued on June 22, 2021. The Series C Preferred Stock vote with our common shares and each share of the Series C Preferred Stock entitles the holder thereof to 1,000 votes on all matters submitted to a vote of the common stockholders of the Issuer. The Series D Preferred Stock vote with the common shares of the Company, and each share of the Series D Preferred Stock entitles the holder thereof to up to 100,000 votes, on all matters submitted to a vote of the stockholders of the Company, subject to a maximum number of votes eligible to be cast by such holder derived from the Series D Preferred Shares and any other voting security of the Company held by the holder to be equal to the lesser of (i) 36% of the total number of votes entitled to vote on any matter put to shareholders of the Company and (ii) the sum of the holder's aggregate voting power derived from securities other than the Series D Preferred Stock and 15% of the total number of votes entitled to be cast on matters put to shareholders of the Company. Through her beneficial ownership of common shares and shares of Series C Preferred Stock and Series D Preferred Stock, Mrs. Paliou controls 36% of the vote of any matter submitted to the vote of the common shareholders. Please see "Item 7. Major Shareholders and Related Party Transactions—A. Major Shareholders." While Mrs. Paliou and the entities controlled by Mrs. Paliou have no agreement, arrangement or understanding relating to the voting of their shares of our common stock, they are able to influence the outcome of matters on which our shareholders are entitled to vote, including the election of directors and other significant corporate actions. This concentration of ownership may have the effect of delaying, deferring or preventing a change in control, merger, consolidation, takeover or other business combination. This concentration of ownership could also discourage a potential acquirer from making a tender offer or otherwise attempting to obtain control of us, which could in turn have an adverse effect on the market price of our shares. So long as our Chief Executive Officer continues to own a significant amount of our equity, even though the amount held by her represents less than 50% of our voting power, she will continue to be able to exercise considerable influence over our decisions. The interests of these shareholders may be different from your interests.

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

Our amended and restated articles of incorporation authorize us to issue up to 200,000,000 shares of common stock, of which, as of December 31, 2022, 102,653,619 shares were outstanding. The number of shares of common stock available for sale in the public market is limited by restrictions applicable under securities laws and agreements that we and our executive officers, directors and principal shareholders have entered into.

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

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

Several provisions of our amended and restated articles of incorporation and bylaws could make it difficult for our shareholders to change the composition of our board of directors in any one year, preventing them from changing the composition of management. In addition, the same provisions may discourage, delay or prevent a merger or acquisition that shareholders may consider favorable.

These provisions include:

- authorizing our board of directors to issue “blank check” preferred stock without shareholder approval;

- providing for a classified board of directors with staggered, three-year terms;

- prohibiting cumulative voting in the election of directors;

- authorizing the removal of directors only for cause and only upon the affirmative vote of the holders of a majority of the outstanding shares of our common stock entitled to vote for the directors;

- prohibiting shareholder action by written consent;

- limiting the persons who may call special meetings of shareholders; and

- establishing advance notice requirements for nominations for election to our board of directors or for proposing matters that can be acted on by shareholders at shareholder meetings.

In addition, we have adopted a Stockholders Rights Agreement, dated January 15, 2016, pursuant to which our board of directors may cause the substantial dilution of any person that attempts to acquire us without the approval of our board of directors.

These anti-takeover provisions, including provisions of our Stockholders Rights Agreement, could substantially impede the ability of public shareholders to benefit from a change in control and, as a result, may adversely affect the market price of our common stock and your ability to realize any potential change of control premium.

Our Series B Preferred Shares are senior obligations of ours and rank prior to our common shares with respect to dividends, distributions and payments upon liquidation, which could have an adverse effect on the value of our common shares.

The rights of the holders of our Series B Preferred Shares rank senior to the obligations to holders of our common shares. Upon our liquidation, the holders of Series B Preferred Shares will be entitled to receive a liquidation preference of $25.00 per share, plus all accrued but unpaid dividends, prior and in preference to any distribution to the holders of any other class of our equity securities, including our common shares. The existence of the Series B Preferred Shares could have an adverse effect on the value of our common shares.

Risks Relating to Our Series B Preferred Stock

We may not have sufficient cash from our operations to enable us to pay dividends on our Series B Preferred Shares following the payment of expenses and the establishment of any reserves.

We pay quarterly dividends on our Series B Preferred Shares only from funds legally available for such purpose when, as and if declared by our board of directors. We may not have sufficient cash available each quarter to pay dividends. The amount of dividends we can pay on our Series B Preferred Shares depends upon the amount of cash we generate from and use in our operations, which may fluctuate.

The amount of cash we have available for dividends on our Series B Preferred Shares will not depend solely on our profitability. The actual amount of cash we have available to pay dividends on our Series B Preferred Shares depends on many factors, including the following:

- changes in our operating cash flow, capital expenditure requirements, working capital requirements and other cash needs;
- restrictions under our existing or future credit facilities or any future debt securities on our ability to pay dividends if an event of default has occurred and is continuing or if the payment of the dividend would result in an event of default, or under certain facilities if it would result in the breach of certain financial covenants;
- the amount of any cash reserves established by our board of directors; and
- restrictions under Marshall Islands law, which generally prohibits the payment of dividends other than from surplus (retained earnings and the excess of consideration received for the sale of shares above the par value of the shares) or while a company is insolvent or would be rendered insolvent by the payment of such a dividend.

The amount of cash we generate from our operations may differ materially from our net income or loss for the period, which is affected by non-cash items, and our board of directors in its discretion may elect not to declare any dividends. As a result of these and the other factors mentioned above, we may pay dividends during periods when we record losses and may not pay dividends during periods when we record net income.

The Series B Preferred Shares represent perpetual equity interests.

The Series B Preferred Shares represent perpetual equity interests in us and, unlike our indebtedness, will not give rise to a claim for payment of a principal amount at a particular date. As a result, holders of the Series B Preferred Shares may be required to bear the financial risks of an investment in the Series B Preferred Shares for an indefinite period of time. In addition, the Series B Preferred Shares will rank junior to all our indebtedness and other liabilities, and to any other senior securities we may issue in the future with respect to assets available to satisfy claims against us.

Our Series B Preferred Shares are subordinate to our indebtedness, and your interests could be diluted by the issuance of additional preferred shares, including additional Series B Preferred Shares, and by other transactions.

Our Series B Preferred Shares are subordinated to all of our existing and future indebtedness. Therefore, our ability to pay dividends on, redeem or pay the liquidation preference on our Series B Preferred Shares in liquidation or otherwise may be subject to prior payments due to the holders of our indebtedness. Our existing indebtedness restricts, and our future indebtedness may include restrictions on, our ability to pay dividends on or redeem preferred shares. Our amended and restated articles of incorporation currently authorize the issuance of up to 25,000,000 preferred shares, par value $0.01 per share. Of these preferred shares, 1,000,000 shares have been designated Series A Participating Preferred Stock, 5,000,000 shares have been designated Series B Preferred Shares, 10,675 are designated as Series C Preferred Shares and 400 are designated as Series D Preferred Shares. The Series B Preferred Shares are senior in rank to the Series A Participating Preferred Shares. The issuance of additional Series B Preferred Shares or other preferred shares on a parity with or senior to the Series B Preferred Shares would dilute the interests of holders of our Series B Preferred Shares, and any issuance of preferred shares senior to our Series B Preferred Shares or of additional indebtedness could affect our ability to pay dividends on, redeem or pay the liquidation preference on our Series B Preferred Shares. The Series B Preferred Shares do not contain any provisions affording the holders of our Series B Preferred Shares protection in the event of a highly leveraged or other transaction, including a merger or the sale, lease or conveyance of all or substantially all our assets or business, which might adversely affect the holders of our Series B Preferred Shares, so long as the rights of our Series B Preferred Shares are not directly materially and adversely affected.

We may redeem the Series B Preferred Shares, and you may not be able to reinvest the redemption price you receive in a similar security.

Since February 14, 2019, we may, at our option, redeem Series B Preferred Shares, in whole or in part, at any time or from time to time. We may have an incentive to redeem Series B Preferred Shares voluntarily if market conditions allow us to issue other preferred shares or debt securities at a rate that is lower than the dividend on the Series B Preferred Shares. If we redeem Series B Preferred Shares, then from and after the redemption date, your dividends will cease to accrue on your Series B Preferred Shares, your Series B Preferred Shares shall no longer be deemed outstanding and all your rights as a holder of those shares will terminate, except the right to receive the redemption price plus accumulated and unpaid dividends, if any, payable upon redemption. If we redeem the Series B Preferred Shares for any reason, you may not be able to reinvest the redemption price you receive in a similar security.

Market interest rates may adversely affect the value of our Series B Preferred Shares.

One of the factors that may influence the price of our Series B Preferred Shares is the dividend yield on the Series B Preferred Shares (as a percentage of the price of our Series B Preferred Shares) relative to market interest rates. An increase in market interest rates, which are currently at low levels relative to historical rates, may lead prospective purchasers of our Series B Preferred Shares to expect a higher dividend yield, and higher interest rates would likely increase our borrowing costs and potentially decrease funds available for distribution. Accordingly, higher market interest rates could cause the market price of our Series B Preferred Shares to decrease.

As a holder of Series B Preferred Shares you have extremely limited voting rights.

Your voting rights as a holder of Series B Preferred Shares are extremely limited. Our common shares are the only outstanding class or series of our shares carrying full voting rights. Holders of Series B Preferred Shares have no voting rights other than the ability, subject to certain exceptions, to elect one director if dividends for six quarterly dividend periods (whether or not consecutive) payable on our Series B Preferred Shares are in arrears and certain other limited protective voting rights.

Our ability to pay dividends on and to redeem our Series B Preferred Shares is limited by the requirements of Marshall Islands law.

Marshall Islands law provides that we may pay dividends on and redeem the Series B Preferred Shares only to the extent that assets are legally available for such purposes. Legally available assets generally are limited to our surplus, which essentially represents our retained earnings and the excess of consideration received by us for the sale of shares above the par value of the shares. In addition, under Marshall Islands law we may not pay dividends on or redeem Series B Preferred Shares if we are insolvent or would be rendered insolvent by the payment of such a dividend or the making of such redemption.

The amount of your liquidation preference is fixed and you will have no right to receive any greater payment regardless of the circumstances.

The payment due upon a liquidation is fixed at the redemption preference of $25.00 per share plus accumulated and unpaid dividends to the date of liquidation. If, in the case of our liquidation, there are remaining assets to be distributed after payment of this amount, you will have no right to receive or to participate in these amounts. Furthermore, if the market price for your Series B Preferred Shares is greater than the liquidation preference, you will have no right to receive the market price from us upon our liquidation.

Item 4. Information on the Company

A. History and development of the Company

Diana Shipping Inc. is a holding company incorporated under the laws of Liberia in March 1999 as Diana Shipping Investments Corp. In February 2005, the Company's articles of incorporation were amended. Under the amended and restated articles of incorporation, the Company was renamed Diana Shipping Inc. and was re-domiciled from the Republic of Liberia to the Republic of the Marshall Islands. Our executive offices are located at Pendelis 16, 175 64 Palaio Faliro, Athens, Greece. Our telephone number at this address is +30-210-947-0100. Our agent and authorized representative in the United States is our wholly-owned subsidiary, Bulk Carriers (USA) LLC, established in September 2006, in the State of Delaware, which is located at 2711 Centerville Road, Suite 400, Wilmington, Delaware 19808. The SEC maintains an Internet site that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC. The address of the SEC's Internet site is http://www.sec.gov. The address of the Company's Internet site is http://www.dianashippinginc.com.

Vessel acquisitions

In February 2022, we took delivery of Leonidas P.C. (ex Magnolia), a 2011 built Kamsarmax dry bulk vessel of 82,165 dwt, which we agreed to acquire from an unaffiliated third party in July 2021, for a purchase price of $22.0 million.

In March 2022, we also took delivery of Florida, a Japanese new-building Capesize dry bulk vessel of approximately 181,500 dwt, which we agreed to acquire from an unaffiliated third party in December 2020, for a purchase price of $60.2 million including commissions.

In August 2022, we entered into a master agreement with Sea Trade Holdings Inc. (or "Sea Trade"), an unaffiliated third party, to acquire nine Ultramax vessels for an aggregate purchase price of $330 million, of which $220 million would be paid in cash and $110 million through an aggregate of 18,487,393 newly issued common shares of the Company, issuable on the delivery of each vessel. In addition to the master agreement, in August 2022, we also entered into nine separate memoranda of agreement for the acquisition of each vessel and issued nine warrants to Sea Trade, for the issuance of the shares, exercisable on the delivery date of each vessel. During the fourth quarter of 2022, the Company took delivery of eight vessels for an aggregate value of $263.7 million, of which $67.9 million was the value of the newly issued common shares. On January 30, 2023, we took delivery of the ninth vessel for $24.2 million in cash, funded through our loan with Nordea, and issued 2,033,613 common shares to Sea Trade of $7.8 million value.

In February 2023, we signed a Memorandum of Agreement to acquire from an unaffiliated third party the vessel *Nord Potomac*, a 2016 built Ultramax dry bulk vessel, for a purchase price of $27.9 million, which we intend to finance through debt financing. We expect to take delivery of the vessel by the beginning of April 2023.

Vessel disposals

In June 2022, we sold to OceanPal Inc., or OceanPal, a related party company, the vessel *Baltimore*, for a sale price of $22.0 million before commissions, of which $4.4 million was paid in cash and $17.6 million through 25,000 Series D Convertible Preferred shares. The vessel was delivered to OceanPal on September 20, 2022.

In January 2023, we sold to an unrelated third party the vessel *Aliki* for the purchase price of $15.08 million. The vessel was delivered to her new owners on February 8, 2023.

In February 2023, we sold to OceanPal, the vessel *Melia* for the purchase price of $14.0 million, of which $4.0 million was paid in cash and $10.0 million through 13,157 of OceanPal Series D Convertible Preferred Shares. The vessel was delivered to her new owners on February 8, 2023.

Please read Note 4 – Advances for vessel acquisitions and Vessels, net to our consolidated financial statements, included elsewhere in this Annual Report for a full description of the Company's acquisitions and sales of vessels as of December 31, 2022.

Sale and leaseback agreements

In March 2022, we sold Florida to an unrelated third party for $50.0 million in a sale and leaseback transaction and we chartered the vessel back from the buyer for a period of ten years at $13,500 per day. The Company has purchase options beginning at the end of the third year of the agreement. If not repurchased earlier, the Company has the obligation to repurchase the vessel for $16.4 million, on the expiration of the lease on the tenth year.

In August, 2022, we entered into two sale and leaseback agreements with two unaffiliated Japanese third parties to sell *New Orleans* and *Santa Barbara,* for an aggregate amount of $66.4 million. The vessels were delivered to their buyers on September 8, 2022 and September 12, 2022, respectively and the Company chartered in both vessels under bareboat charter parties for a period of eight years, each, and has purchase options beginning at the end of the third year of each vessel's bareboat charter period. If not repurchased earlier, the Company has the obligation to repurchase the vessels for $13 million each, on the expiration of each lease on the eighth year.

On December 6, 2022, we sold *DSI Andromeda* to an unrelated third party for $29.9 million and leased back the vessel under a bareboat agreement, for a period of ten years, under which the Company pays hire, monthly in advance. The Company has purchase options beginning at the end of the third year of the bareboat charter period and if not repurchased earlier, the Company has the obligation to repurchase the vessel for $8.05 million, on the expiration of the lease on the tenth year.

Dividends

During 2022, we paid total dividends of $0.9 per share, or $79.8 million. More specifically, on March 21, 2022, we paid a cash dividend on our common stock amounting to $17.2 million, or $0.20 per share, to all shareholders of record as of March 9, 2022.

On June 17, 2022, we paid a cash dividend on our common stock amounting to $21.6 million, or $0.25 per share, to all shareholders of record as of June 6, 2022.

On August 19, 2022, we paid a cash dividend on our common stock amounting to $23.7 million, or $0.275 per share, to all shareholders of record as of August 8, 2022.

On December 15, 2022, we paid a cash dividend on our common stock amounting to $17.3 million, or $0.175 per share, to all shareholders of record as of November 28, 2022.

In addition to the cash dividends, on December 15, 2022, we distributed 25,000 Series D Convertible Preferred Shares of OceanPal, acquired as part of the non-cash consideration for the sale of *Baltimore* described above, as a non-cash dividend amounting to $18.2 million to our shareholders of record as of November 28, 2022.

On March 20, 2023, we paid a cash dividend on our common stock amounting to $16 million, or $0.15 per share, to all shareholders of record as of March 13, 2023. We have also declared the distribution to our shareholders of record as of April 24, 2023 of the 13,157 Series D Convertible Preferred Shares of OceanPal acquired as part of the non-cash consideration of the sale of *Melia* described above.

Please read Note 9 – Capital Stock and Changes in Capital Accounts to our consolidated financial statements, included elsewhere in this Annual Report for a full description of the Company's dividends distribution as of December 31, 2022.

Loans

On September 30, 2022, the Company entered into a $200 million loan agreement to finance the acquisition price of 9 Ultramax vessels. The Company drew down $197.2 million under the loan, in tranches for each vessel on their delivery to the Company.

During 2022, we early prepaid an aggregate amount of $57.5 million of outstanding debt due to the sale of *Baltimore* to OceanPal, and *DSI Andromeda*, *Santa Barbara* and *New Orleans*, following their sale under a sale and leaseback.

In February 2023, we early prepaid an additional amount of $8.1 million of outstanding debt due to the sale of *Melia* to OceanPal and *Alik*i to an unaffiliated third party. In March 2023, we early prepaid $11.8 million, being the outstanding balance of our loan with DNB Bank ASA.

Please read Note 6 – Long-term debt to our consolidated financial statements, included elsewhere in this Annual Report for a full description of the Company's loan facilities as of December 31, 2022.

B. Business overview

We specialize in the ownership and bareboat charter-in of dry bulk vessels, determined as one business segment. Each of our vessels is owned through a separate wholly-owned subsidiary.

As of the date of this report, our fleet, owned and chartered-in, consisted of 41 dry bulk carriers, of which nine were Ultramax, seven were Panamax, six were Kamsarmax, five were Post-Panamax, ten were Capesize and four were Newcastlemax vessels, having a combined carrying capacity of approximately 4.7 million dwt and a weighted average age of 9.9 years. We have also agreed to acquire the vessel *Nord Potomac*, a 2016 built Ultramax dry bulk vessel, expected to be delivered by the beginning of April 2023.

As of December 31, 2022, our operating fleet consisted of 42 dry bulk carriers, of which eight were Ultramax, eight were Panamax, six were Kamsarmax, five were Post-Panamax, eleven were Capesize and four were Newcastlemax vessels, having a combined carrying capacity of approximately 4.9 million dwt and a weighted average age of 10.2 years. As of December 31, 2022, the Company had agreed to acquire a 2016 built Ultramax dry bulk vessel of 60,309 dwt, delivered on January 30, 2023.

As of December 31, 2021, our operating fleet consisted of 33 dry bulk carriers, of which eight were Panamax, five were Kamsarmax, five were Post-Panamax, eleven were Capesize and four were

Newcastlemax vessels, having a combined carrying capacity of approximately 4.3 million dwt and a weighted average age of 10.4 years. As of December 31, 2021, the Company had agreed to acquire a 2011 built Kamsarmax dry bulk vessel of 82,165 dwt, delivered on February 16, 2022 and a Capesize dry bulk vessel of 181,500 dwt, which was sold and leased back under a bare boat charter on March 29, 2022.

As of December 31, 2020, our operating fleet consisted of 40 dry bulk carriers, of which 13 were Panamax, five were Kamsarmax, five were Post-Panamax, 13 were Capesize and four were Newcastlemax vessels, having a combined carrying capacity of approximately 5.0 million dwt and a weighted average age of 10.2 years. As of December 31, 2020, the Company had agreed to sell the vessels Coronis, Sideris G.S. and Oceanis, of which Coronis and Sideris GS were delivered to their buyers in January 2021 and Oceanis was delivered in March 2021.

During 2022, 2021 and 2020, we had a fleet utilization of 98.9%, 99.1% and 97.9%, respectively, our vessels achieved daily time charter equivalent rates of $22,735, $15,759 and $10,910, respectively, and we generated revenues of $290.0 million, $214.2 million and $169.7 million, respectively.

We operate our vessels worldwide, in markets that have historically exhibited seasonal variations in demand and, as a result, in charter hire rates. The dry bulk carrier market is typically stronger in the fall and winter months in anticipation of increased consumption of coal and other raw materials in the northern hemisphere during the winter months. In addition, unpredictable weather patterns in these months tend to disrupt vessel scheduling and supplies of certain commodities. This seasonality has a limited direct impact on our operating results as we charter our vessels to customers pursuant to medium-term and long-term time charter agreements.

Management of Our Fleet

The commercial and technical management of our fleet, owned and bareboat chartered-in, as well as the provision of administrative services relating to the fleet's operations, are carried out by our wholly-owned subsidiary, Diana Shipping Services S.A., which we refer to as DSS, and Diana Wilhelmsen Management Limited, a 50/50 joint venture with Wilhelmsen Ship Management, which we refer to as DWM. In exchange for providing us with commercial and technical services, personnel and office space, we pay DSS a commission, which is a percentage of the managed vessels' gross revenues, a fixed monthly fee per managed vessel and an additional monthly fee for the administrative services provided to Diana Shipping Inc. Such services may include budgeting, reporting, monitoring of bank accounts, compliance with banks, payroll services and any other possible service that Diana Shipping Inc. would require to perform its operations. Similarly, in exchange for providing us with commercial and technical services, we pay to DWM a commission which is a percentage of the managed vessels' gross revenues and a fixed management monthly fee for each managed vessel. The amounts deriving from the agreements with DSS are considered inter-company transactions and, therefore, are eliminated from our consolidated financial statements. The management fees and commissions deriving from the agreements with DWM are included in our statement of operations in "Management fees to related party", "Voyage Expenses", "Advances for vessel acquisitions" and "Vessels, net".

Steamship Shipbroking Enterprises Inc., or Steamship, a related party controlled by our Chairman of the Board, Mr. Simeon Palios until January 15, 2023 and our CEO Mrs. Semiramis Paliou thereafter, provides brokerage services to us, since June 1, 2010. Brokerage fees are included in "General and Administrative expenses" in our statement of operations. The terms of this relationship are currently governed by a Brokerage Services Agreement dated July 1, 2022.

The following table presents certain information concerning the dry bulk carriers in our fleet, as of the date of this annual report.

Fleet Employment (As of March 17, 2023)

	VESSEL BUILT DWT	SISTER SHIPS*	GROSS RATE (USD PER DAY)	COM**	CHARTERERS	DELIVERY DATE TO CHARTERERS***	REDELIVERY DATE TO OWNERS****	NOTES
	9 Ultramax Bulk Carriers							
1	DSI Phoenix 2017 60,456	A	13,250	5.00%	ASL Bulk Marine Limited	4/Nov/22	4/Mar/2024 - 4/May/2024	
2	DSI Pollux 2015 60,446	A	17,000	5.00%	Delta Corp Shipping Pte. Ltd.	27/Oct/22	27/Dec/2023 - 27/Feb/2024	
3	DSI Pyxis 2018 60,362	A	17,100	4.75%	Cargill Ocean Transportation Singapore Pte. Ltd.	16/Oct/22	16/Aug/2023 - 16/Oct/2023	
4	DSI Polaris 2018 60,404	A	13,100	5.00%	ASL Bulk Marine Limited	12/Nov/22	12/May/2024 - 12/Jul/2024	
5	DSI Pegasus 2015 60,508	A	14,000	5.00%	Reachy Shipping (SGP) Pte. Ltd.	7/Dec/22	15/Jul/2024 - 15/Sep/2024	
6	DSI Aquarius 2016 60,309	B	14,200	5.00%	Engelhart CTP Freight (Switzerland) SA	1/Feb/23	10/Jan/2024 - 25/Mar/2024	
7	DSI Aquila 2015 60,309	B	13,300	5.00%	Western Bulk Carriers AS	22/Nov/22	15/Sep/2023 - 15/Nov/2023	
8	DSI Altair 2016 60,309	B	14,400	5.00%	Western Bulk Pte. Ltd.	28/Dec/22	25/Jun/2023 - 25/Aug/2023	
9	DSI Andromeda 2016 60,309	B	14,250	5.00%	Western Bulk Carriers AS	17/Nov/22	16/Oct/2023 - 16/Dec/2023	1, 2
10	Nord Potomac (tbr. DSI Drammen) 2016 63,379		-	-	-	-	-	3
	8 Panamax Bulk Carriers							
11	MELIA 2005 76,225		11,000	5.00%	Asahi Shipping Co., Ltd.	10/Dec/22	04/Feb/2023	4
12	ARTEMIS 2006 76,942		21,250	4.75%	Cargill International S.A., Geneva	21/Mar/22	20/Jun/2023 -20/Aug/2023	
13	LETO 2010 81,297		25,500	4.75%	Aquavita International S.A.	3/Oct/21	29/Jan/2023	5
			14,500	4.75%	Cargill International S.A., Geneva	29/Jan/23	1/Mar/2024 - 30/Apr/2024	
14	SELINA 2010 75,700	C	22,000	5.00%	Speed Logistics Marine Limited	18/Jun/22	15/Apr/2023 - 30/Apr/2023	6
15	MAERA 2013 75,403	C	12,000	4.75%	Cargill International S.A., Geneva	16/Dec/22	28/Oct/2023 - 28/Dec/2023	
16	ISMENE 2013 77,901		18,500	4.75%	Cargill International S.A., Geneva	23/Nov/21	10/Jan/2023	
			14,000	5.00%	ST Shipping and Transport Pte. Ltd.	10/Jan/23	20/Aug/2023 - 10/Oct/2023	
17	CRYSTALIA 2014 77,525	D	12,500	5.00%	Reachy Shipping (SGP) Pte. Ltd.	12/Nov/22	1/Sep/2023 - 15/Oct/2023	
18	ATALANDI 2014 77,529	D	24,500	4.75%	Aquavita International S.A.	5/Oct/21	15/Feb/2023	
			13,250	4.75%		15/Feb/23	5/Mar/2024 - 5/May/2024	
	6 Kamsarmax Bulk Carriers							

19	MAIA 2009 82,193	E	25,000	5.00%	Hyundai Glovis Co. Ltd.	24/May/22	20/Sep/2023 -20/Nov/2023	7
20	MYRSINI 2010 82,117	E	15,000	5.00%	Salanc Pte. Ltd.	22/Nov/22	20/Apr/2024 - 28/Jun/2024	
21	MEDUSA 2010 82,194	E	26,000	4.75%	Cargill International S.A., Geneva	9/Mar/22	15/May/2023 - 15/Jul/2023	
22	MYRTO 2013 82,131	E	18,000	5.00%	Tata NYK Shipping Pte. Ltd.	3/Aug/22	15/Jul/2023 - 15/Sep/2023	8
23	ASTARTE 2013 81,513		21,500	5.00%	Tongli Shipping Pte. Ltd.	30/Jan/22	15/Apr/2023 - 15/Jun/2023	
24	LEONIDAS P. C. 2011 82,165		24,500 17,000	4.75% 4.75%	Cargill International S.A., Geneva	18/Feb/22 17/Mar/23	28/Feb/2023 17 Feb 2024 - 17 Apr 2024	9
	5 Post-Panamax Bulk Carriers							
25	ALCMENE 2010 93,193		17,100 13,000	5.00% 5.00%	SwissMarine Pte. Ltd., Singapore	25/Nov/21 2/Jan/23	02/Jan/2023 10/Jan/2024 - 25/Mar/2024	
26	AMPHITRITE 2012 98,697	F	14,250	5.00%	Cobelfret S.A.	9/Nov/22	1/Dec/2023 - 15/Feb/2024	
27	POLYMNIA 2012 98,704	F	24,750 15,000	5.00% 5.00%	CLdN Cobelfret SA, Luxembourg	4/Feb/22 14/Jan/23	14/Jan/2023 1/Apr/2024 - 31/May/2024	10
28	ELECTRA 2013 87,150	G	17,500	5.00%	Refined Success Limited	2/Jul/22	1/Apr/2023 - 15/May/2023	6
29	PHAIDRA 2013 87,146	G	25,000 10,000	5.00% 5.00%	Comerge Shipping Co., Limited Salanc Pte. Ltd.	24/Nov/22 4/Mar/23	04/Mar/2023 17/Apr/2023	11,12 13
	11 Capesize Bulk Carriers							
30	ALIKI 2005 180,235		24,500	5.00%	Koch Shipping Pte. Ltd., Singapore	21/Feb/22	02/Feb/2023	4
31	SEMIRIO 2007 174,261	H	19,700	5.00%	C Transport Maritime Ltd., Bermuda	15/Dec/21	15/Aug/2023 - 15/Nov/2023	
32	BOSTON 2007 177,828	H	20,500	5.00%	Aquavita International S.A.	15/Jul/22	1/Apr/2023 - 31/May/2023	
33	HOUSTON 2009 177,729	H	13,000	5.00%	EGPN Bulk Carrier Co., Limited	21/Nov/22	1/Jul/2024 - 31/Aug/2024	
34	NEW YORK 2010 177,773	H	23,000	5.00%	C Transport Maritime Ltd., Bermuda	2/Jul/22	10/Jun/2023 - 25/Aug/2023	
35	SEATTLE 2011 179,362	I	26,500	5.00%	Solebay Shipping Cape Company Limited, Hong Kong	2/Mar/22	1/Oct/2023 - 15/Dec/2023	
36	P. S. PALIOS 2013 179,134	I	31,000	5.00%	Classic Maritime Inc.	11/Jun/22	15/Apr/2024 - 30/Jun/2024	
37	G. P. ZAFIRAKIS 2014 179,492	J	22,750 17,000	4.75% 5.00%	Cargill International S.A., Geneva Solebay Shipping Cape Company Limited, Hong Kong	1/Dec/21 12/Jan/23	12/Jan/2023 15/Jun/2024 - 15/Aug/2024	14
38	SANTA BARBARA 2015 179,426	J	29,500	4.75%	Cargill International S.A., Geneva	19/Mar/22	10/May/2023 - 10/Jul/2023	15

39 NEW ORLEANS 2015 180,960		32,000	5.00%	Engelhart CTP Freight (Switzerland) SA	25/Mar/22	20/Nov/2023 - 31/Jan/2024	15
40 FLORIDA 2022 182,063		25,900	5.00%	Bunge S.A., Geneva	29/Mar/22	29/Jan/2027 - 29/May/2027	2
4 Newcastlemax Bulk Carriers							
41 LOS ANGELES 2012 206,104	K	26,250	5.00%	Koch Shipping Pte. Ltd., Singapore	30/Jan/22	15/Jan/2023	
		17,700	5.00%	Nippon Yusen Kabushiki Kaisha, Tokyo	15/Jan/23	20/May/2024 - 5/Aug/2024	
42 PHILADELPHIA 2012 206,040	K	26,000	5.00%	C Transport Maritime Ltd., Bermuda	12/Apr/22	1/Feb/2024 - 15/Apr/2024	
43 SAN FRANCISCO 2017 208,006	L	30,500	5.00%	Koch Shipping Pte. Ltd., Singapore	18/Feb/22	18/Feb/2023	16
		22,000	5.00%	SwissMarine Pte. Ltd., Singapore	18/Feb/23	5/Jan/2025 - 5/Mar/2025	
44 NEWPORT NEWS 2017 208,021	L	28,000	5.00%	Koch Shipping Pte. Ltd., Singapore	16/Dec/21	1/Jul/2023 - 30/Sep/2023	

* Each dry bulk carrier is a “sister ship”, or closely similar, to other dry bulk carriers that have the same letter.

** Total commission percentage paid to third parties.

*** In case of newly acquired vessel with time charter attached, this date refers to the expected/actual date of delivery of the vessel to the Company.

**** Range of redelivery dates, with the actual date of redelivery being at the Charterers’ option, but subject to the terms, conditions, and exceptions of the particular charterparty.

1The fixture includes the option for redelivery of vessel east of Suez against a gross ballast bonus of US$250,000.

2Bareboat chartered-in for a period of ten years.

3The Company expects to take delivery of the vessel by the beginning of April 2023.

4Vessel sold and delivered to her new Owners on February 8, 2023.

5Aquavita International S.A. has agreed to compensate the owners for the early redelivery of the vessel until the minimum agreed redelivery date, February 1, 2023.

6Based on latest information.

7Vessel off hire for 3.93 days.

8Vessel on scheduled drydocking from October 12, 2022 to November 7, 2022.

9Vessel on scheduled drydocking from February 28, 2023 to March 17, 2023.

10The charter rate was US$10,000 per day for the first 30 days of the charter period.

11Redelivery date based on an estimated time charter trip duration of about 95 days.

12Charter includes a one time ballast bonus payment of US$300,000.

13Redelivery date based on an estimated time charter trip duration of about 45 days. In the event that the trip duration exceeds fifty (50) days, the gross charter rate will be US$13,000 per day, minus a 5% commission paid to third parties, for each additional day.

14The Charterers will compensate the Owners for the excess of the charter party period at the rate of 123% of the average of the Baltic Cape Index 5TC average for the days exceeding the period or the vessel’s present charter party rate whichever is higher.

15Bareboat chartered-in for a period of eight years.

16Koch Shipping Pte. Ltd. has agreed to compensate the owners for the early redelivery of the vessel by paying the difference between the new rate and the previous rate, from the redelivery date from the Charterers, to March 1, 2023.

Our Customers

Our customers include regional and international companies, such as Cargill International S.A., Glencore Grain B.V., Koch Shipping Pte Ltd and Swissmarine Services S.A. During 2022, two of our charterers accounted for 34% of our revenues: Cargill (19%) and Koch (15%). During 2021, one of our charterers accounted for 10% of our revenues: Cargill (10%). During 2020, two of our charterers accounted for 34% of our revenues: Cargill (18%), Koch (16%).

We charter our dry bulk carriers, owned and bareboat chartered-in, to customers pursuant to time charters. Under our time charters, the charterer typically pays us a fixed daily charter hire rate and bears all voyage expenses, including the cost of bunkers (fuel oil) and canal and port charges. We remain responsible for paying the chartered vessel's operating expenses, including the cost of crewing, insuring, repairing and maintaining the vessel. In 2022, we paid commissions that ranged from 4.75% to 5.0% of the total daily charter hire rate of each charter to unaffiliated ship brokers and to in-house brokers associated with the charterer, depending on the number of brokers involved with arranging the charter.

We strategically monitor developments in the dry bulk shipping industry on a regular basis and, subject to market demand, seek to adjust the charter hire periods for our vessels according to prevailing market conditions. In order to take advantage of relatively stable cash flow and high utilization rates, we fix some of our vessels on long-term time charters. Currently, the majority of our vessels are employed on short to medium-term time charters, which provides us with flexibility in responding to market developments. We continuously evaluate our balance of short- and long-term charters and extend or reduce the charter hire periods of the vessels in our fleet according to the developments in the dry bulk shipping industry.

Charter Hire Rates

Charter hire rates fluctuate by varying degrees among dry bulk carrier size categories. The volume and pattern of trade in a small number of commodities (major bulks) affect demand for larger vessels. Therefore, charter rates and vessel values of larger vessels often show greater volatility. Conversely, trade in a greater number of commodities (minor bulks) drives demand for smaller dry bulk carriers. Accordingly, charter rates and vessel values for those vessels are usually subject to less volatility.

Charter hire rates paid for dry bulk carriers are primarily a function of the underlying balance between vessel supply and demand, although at times other factors may play a role. Furthermore, the pattern seen in charter rates is broadly mirrored across the different charter types and the different dry bulk carrier categories. In the time charter market, rates vary depending on the length of the charter period and vessel-specific factors such as age, speed and fuel consumption.

In the voyage charter market, rates are, among other things, influenced by cargo size, commodity, port dues and canal transit fees, as well as commencement and termination regions. In general, a larger cargo size is quoted at a lower rate per ton than a smaller cargo size. Routes with costly ports or canals generally command higher rates than routes with low port dues and no canals to transit. Voyages with a load port within a region that includes ports where vessels usually discharge cargo or a discharge port within a region with ports where vessels load cargo also are generally quoted at lower rates, because such voyages generally increase vessel utilization by reducing the unloaded portion (or ballast leg) that is included in the calculation of the return charter to a loading area.

Within the dry bulk shipping industry, the charter hire rate references, most likely to be monitored, are the freight rate indices issued by the Baltic Exchange. These references are based on actual charter hire rates under charters entered into by market participants as well as daily assessments provided to the Baltic Exchange by a panel of major shipbrokers. The Baltic Panamax Index is the index with the longest history. The Baltic Capesize Index and Baltic Handymax Index are of more recent origin.

The Baltic Dry Index, or BDI, a daily average of charter rates in 20 shipping routes measured on a time charter and voyage basis and covering Capesize, Panamax, Supramax, and Handysize dry bulk carriers ranged from a low of 393 in May 2020 to a high of 2,097 in October. In 2021, the BDI ranged from a low of 1,303 in February to a high of 5,650 in October. In 2022, the BDI ranged from a high of 3369 on May 23, 2022 to a low of 965 on August 31, 2022 to drop again to a low of 530 on February 16, 2023. The BDI has since recovered from the February 2023 levels and closed at 1484 on March 23, 2023.

The Dry Bulk Shipping Industry

The global dry bulk carrier fleet could be divided into seven categories based on a vessel's carrying capacity. These categories consist of:

- ***Very Large Ore Carriers***. Very large ore carriers, or VLOCs, have a carrying capacity of more than 200,000 dwt and are a comparatively new sector of the dry bulk carrier fleet. VLOCs are built to exploit economies of scale on long-haul iron ore routes.

- ***Capesize***. Capesize vessels have a carrying capacity of 110,000-199,999 dwt. Only the largest ports around the world possess the infrastructure to accommodate vessels of this size. Capesize vessels are primarily used to transport iron ore or coal and, to a much lesser extent, grains, primarily on long-haul routes.

- ***Post-Panamax***. Post-Panamax vessels have a carrying capacity of 80,000-109,999 dwt. These vessels tend to have a shallower draft and larger beam than a standard Panamax vessel with a higher cargo capacity. These vessels have been designed specifically for loading high cubic cargoes from draught restricted ports, although they cannot transit the Panama Canal.

- ***Panamax***. Panamax vessels have a carrying capacity of 60,000-79,999 dwt. These vessels carry coal, iron ore, grains, and, to a lesser extent, minor bulks, including steel products, cement and fertilizers. Panamax vessels are able to pass through the Panama Canal, making them more versatile than larger vessels with regard to accessing different trade routes. Most Panamax and Post-Panamax vessels are “gearless,” and therefore must be served by shore-based cargo handling equipment. However, there are a small number of geared vessels with onboard cranes, a feature that enhances trading flexibility and enables operation in ports which have poor infrastructure in terms of loading and unloading facilities.

- ***Ultramax*** Ultramax is the largest class before Panamax and is the newer form of the smaller Supramax with a maximum length of 200 meters and capacity that ranges from 60,000 dwt and 66,000 dwt. This class is considered an upgrade to Supramax class as it offers a better all-around investment for Charterers and Shipowners due to its higher cargo carrying capacity and better bunker efficiency. Ultramax class bulk carriers have 5 cargo holds. are fitted with 4 cranes and usually are equipped with grabs allowing them to call more ports with no such facilities giving them more versatility.

- ***Handymax/Supramax***. Handymax vessels have a carrying capacity of 40,000-59,999 dwt. These vessels operate in a large number of geographically dispersed global trade routes, carrying primarily grains and minor bulks. Within the Handymax category there is also a sub-sector known as Supramax. Supramax bulk carriers are ships between 50,000 to 59,999 dwt, normally offering cargo loading and unloading flexibility with on-board cranes, or “gear,” while at the same time possessing the cargo carrying capability approaching conventional Panamax bulk carriers.

- ***Handysize***. Handysize vessels have a carrying capacity of up to 39,999 dwt. These vessels are primarily involved in carrying minor bulk cargoes. Increasingly, ships of this type operate within regional trading routes, and may serve as trans-shipment feeders for larger vessels. Handysize vessels are well suited for small ports with length and draft restrictions. Their cargo gear enables them to service ports lacking the infrastructure for cargo loading and unloading.

Other size categories occur in regional trade, such as Kamsarmax, with a maximum length of 229 meters, the maximum length that can load in the port of Kamsar in the Republic of Guinea. Other terms such as Seawaymax, Setouchmax, Dunkirkmax, and Newcastlemax also appear in regional trade.

The supply of dry bulk carriers is dependent on the delivery of new vessels and the removal of vessels from the global fleet, either through scrapping or loss. The level of scrapping activity is generally a function of scrapping prices in relation to current and prospective charter market conditions, as well as operating, repair and survey costs. The average age at which a vessel is scrapped was 29 years in 2022, 28 years in 2021, and 27 years in 2020.

The demand for dry bulk carrier capacity is determined by the underlying demand for commodities transported in dry bulk carriers, which in turn is influenced by trends in the global economy. Demand for dry bulk carrier capacity is also affected by the operating efficiency of the global fleet, along with port congestion, which has been a feature of the market since 2004, absorbing tonnage and therefore leading to a tighter balance between supply and demand. In evaluating demand factors for dry bulk carrier capacity, the Company believes that dry bulk carriers can be the most versatile element of the global shipping fleets in terms of employment alternatives.

Vessel Prices

Dry bulk vessel values in 2022 generally were lower as compared to 2021. Consistent with these trends were the market values of our dry bulk carriers. As charter rates and vessel values partially decreased during 2022, there can be no assurance as to how long charter rates and vessel values will remain at their current levels or whether they will decrease or improve to any significant degree in the near future.

Competition

Our business fluctuates in line with the main patterns of trade of the major dry bulk cargoes and varies according to changes in the supply and demand for these items. We operate in markets that are highly competitive and based primarily on supply and demand. We compete for charters on the basis of price, vessel location, size, age and condition of the vessel, as well as on our reputation as an owner and operator. We compete with other owners of dry bulk carriers in the Panamax, Post-Panamax and smaller class sectors and with owners of Capesize and Newcastlemax dry bulk carriers. Ownership of dry bulk carriers is highly fragmented.

We believe that we possess a number of strengths that provide us with a competitive advantage in the dry bulk shipping industry:

- *We own a modern, high quality fleet of dry bulk carriers.* We believe that owning a modern, high quality fleet reduces operating costs, improves safety and provides us with a competitive advantage in securing favorable time charters. We maintain the quality of our vessels by carrying out regular inspections, both while in port and at sea, and adopting a comprehensive maintenance program for each vessel.
- *Our fleet includes groups of sister ships.* We believe that maintaining a fleet that includes sister ships enhances the revenue generating potential of our fleet by providing us with operational and scheduling flexibility. The uniform nature of sister ships also improves our operating efficiency by allowing our fleet managers to apply the technical knowledge of one vessel to all vessels of the same series and create economies of scale that enable us to realize cost savings when maintaining, supplying and crewing our vessels.

- *We have an experienced management team.* Our management team consists of experienced executives who have, on average, more than 30 years of operating experience in the shipping industry and has demonstrated ability in managing the commercial, technical and financial areas of our business.
- We benefit from the experience and reputation of Diana Shipping Services S.A. and the relationship with Wilhelmsen Ship Management through the Diana Wilhelmsen Management Limited joint venture.
- *We benefit from strong relationships with members of the shipping and financial industries.* We have developed strong relationships with major international charterers, shipbuilders and financial institutions that we believe are the result of the quality of our operations, the strength of our management team and our reputation for dependability.
- *We have a strong balance sheet and a relatively low level of indebtedness.* We believe that our strong balance sheet and relatively low level of indebtedness provide us with the flexibility to increase the amount of funds that we may draw under our loan facilities in connection with any future acquisitions or otherwise and enable us to use cash flow that would otherwise be dedicated to debt service for other purposes.

Permits and Authorizations

We are required by various governmental and quasi-governmental agencies to obtain certain permits, licenses and certificates with respect to our vessels. The kinds of permits, licenses and certificates required depend upon several factors, including the commodity transported, the waters in which the vessel operates the nationality of the vessel's crew and the age of a vessel. We have been able to obtain all permits, licenses and certificates currently required to permit our vessels to operate. Additional laws and regulations, environmental or otherwise, may be adopted which could limit our ability to do business or increase the cost of us doing business.

Disclosure Pursuant to Section 219 of the Iran Threat Reduction and Syrian Human Rights Act

Section 219 of the U.S. Iran Threat Reduction and Syria Human Rights Act of 2012, or the ITRA, added new Section 13(r) to the U.S. Securities Exchange Act of 1934, as amended, or the Exchange Act, requiring each SEC reporting issuer to disclose in its annual and, if applicable, quarterly reports whether it or any of its affiliates have knowingly engaged in certain activities, transactions or dealings relating to Iran or with the Government of Iran or certain designated natural persons or entities involved in terrorism or the proliferation of weapons of mass destruction during the period covered by the report.

Pursuant to Section 13(r) of the Exchange Act, we note that none of our vessels made port calls to Iran in 2022 and to the date of this annual report.

Environmental and Other Regulations in the Shipping Industry

Government regulation and laws significantly affect the ownership and operation of our fleet. We are subject to international conventions and treaties, national, state and local laws and regulations in force in the countries in which our vessels may operate or are registered relating to safety and health and environmental protection including the storage, handling, emission, transportation and discharge of hazardous and non-hazardous materials, and the remediation of contamination and liability for damage to natural resources. Compliance with such laws, regulations and other requirements entails significant expense, including vessel modifications and implementation of certain operating procedures.

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

Increasing environmental concerns have created a demand for vessels that conform to stricter environmental standards. We are required to maintain operating standards for all of our vessels that emphasize operational safety, quality maintenance, continuous training of our officers and crews and compliance with United States and international regulations. We believe that the operation of our vessels is in substantial compliance with applicable environmental laws and regulations and that our vessels have all material permits, licenses, certificates or other authorizations necessary for the conduct of our operations. However, because such laws and regulations frequently change and may impose increasingly stricter requirements, we cannot predict the ultimate cost of complying with these requirements, or the impact of these requirements on the resale value or useful lives of our vessels. In addition, a future serious marine incident that causes significant adverse environmental impact could result in additional legislation or regulation that could negatively affect our profitability.

International Maritime Organization

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

Air Emissions

In September of 1997, the IMO adopted Annex VI to MARPOL to address air pollution from vessels. Effective May 2005, Annex VI sets limits on sulfur oxide and nitrogen oxide emissions from all commercial vessel exhausts and prohibits "deliberate emissions" of ozone depleting substances (such as halons and chlorofluorocarbons), emissions of volatile compounds from cargo tanks, and the shipboard incineration of specific substances. Annex VI also includes a global cap on the sulfur content of fuel oil and allows for special areas to be established with more stringent controls on sulfur emissions, as explained below. Emissions of "volatile organic compounds" from certain vessels, and the shipboard incineration (from incinerators installed after January 1, 2000) of certain substances (such as polychlorinated biphenyls, or "PCBs") are also prohibited. We believe that all our vessels are currently compliant in all material respects with these regulations.

The Marine Environment Protection Committee, or "MEPC", adopted amendments to Annex VI regarding emissions of sulfur oxide, nitrogen oxide, particulate matter and ozone depleting substances, which entered into force on July 1, 2010. The amended Annex VI seeks to further reduce air pollution by, among other things, implementing a progressive reduction of the amount of sulfur contained in any fuel oil used on board ships. On October 27, 2016, at its 70th session, the MEPC agreed to implement a global 0.5% m/m sulfur oxide emissions limit (reduced from 3.50%) starting from January 1, 2020. This limitation can be met by using low-sulfur compliant fuel oil, alternative fuels, or certain exhaust gas cleaning systems. Ships are now required to obtain bunker delivery notes and International Air Pollution Prevention ("IAPP") Certificates from their flag states that specify sulfur content. Additionally, at MEPC 73, amendments to Annex VI to prohibit the carriage of bunkers above 0.5% sulfur on ships were adopted and took effect March 1, 2020, with the exception of vessels fitted with exhaust gas cleaning equipment ("scrubbers") which can carry fuel of higher sulfur content. These regulations subject ocean-going vessels to stringent emissions controls and may cause us to incur substantial costs.

Sulfur content standards are even stricter within certain "Emission Control Areas," or ("ECAs"). As of January 1, 2015, ships operating within an ECA were not permitted to use fuel with sulfur content in excess of 0.1% m/m. Amended Annex VI establishes procedures for designating new ECAs. Currently, the IMO has designated four ECAs, including specified portions of the Baltic Sea area, North Sea area, North American area and United States Caribbean area. Ocean-going vessels in these areas will be subject to stringent emission controls and may cause us to incur additional costs. Other areas in China are subject to local regulations that impose stricter emission controls. In December 2021, the member states of the Convention of the Protection of the Mediterranean Sea Against Pollution agreed to support the designation of a new ECA in the Mediterranean. On December 15, 2022, MEPC 79 adopted the designation of a new ECA in the Mediterranean, with an effective date of May 1, 2025.If other ECAs are approved by the IMO, or other new or more stringent requirements relating to emissions from marine diesel engines or port operations by vessels are adopted by the U.S. Environmental Protection Agency ("EPA") or the states where we operate, compliance with these regulations could entail significant capital expenditures or otherwise increase the costs of our operations.

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

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

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

Additionally, MEPC 75 introduced draft amendments to Annex VI which impose new regulations to reduce greenhouse gas emissions from ships. These amendments introduce requirements to assess and measure the energy efficiency of all ships and set the required attainment values, with the goal of reducing the carbon intensity of international shipping. The requirements include (1) a technical requirement to reduce carbon intensity based on a new Energy Efficiency Existing Ship Index ("EEXI"), and (2) operational carbon intensity reduction requirements, based on a new operational carbon intensity indicator ("CII"). The attained EEXI is required to be calculated for ships of 400 gross tonnage and above, in accordance with different values set for ship types and categories. With respect to the CII, the draft amendments would require ships of 5,000 gross tonnage to document and verify their actual annual operational CII achieved against a determined required annual operational CII. Additionally, MEPC 75 proposed draft amendments requiring that, on or before January 1, 2023, all ships above 400 gross tonnage must have an approved SEEMP on board. For ships above 5,000 gross tonnage, the SEEMP would need to include certain mandatory content. MEPC 75 also approved draft amendments to MARPOL Annex I to prohibit the use and carriage for use as fuel of heavy fuel oil ("HFO") by ships in Arctic waters on and after July 1, 2024. The draft amendments introduced at MEPC 75 were adopted at the MEPC 76 session on June 2021 and entered into force on November 1, 2022, with the requirements for EEXI and CII certification coming into effect from January 1, 2023. MEPC 77 adopted a non-binding resolution which urges Member States and ship operators to voluntarily use distillate or other cleaner alternative fuels or methods of propulsion that are safe for ships and could contribute to the reduction of Black Carbon emissions from ships when operating in or near the Arctic. MEPC 79 adopted amendments to MARPOL Annex VI, Appendix IX to include the attained and required CII values, the CII rating and attained EEXI for existing ships in the required information to be submitted to the IMO Ship Fuel Oil Consumption Database. The amendments will enter into force on May 1, 2024.
We may incur costs to comply with these revised standards. Additional or new conventions, laws and regulations may be adopted that could require the installation of expensive emission control systems and could adversely affect our business, results of operations, cash flows and financial condition.

Safety Management System Requirements

The SOLAS Convention was amended to address the safe manning of vessels and emergency training drills. The Convention of Limitation of Liability for Maritime Claims (the "LLMC") sets limitations of liability for a loss of life or personal injury claim or a property claim against ship owners. The ISM Certification provides validation that both company and ships are operating using a process-based system approach to manage risks and achieve continual improvement. The ISM code is meant to be a preventive tool and asks companies to assess all risks and then take measured to safeguard against them. Responsibilities and authorities are set out for the various entities includes in the ISM process. All of our vessels as well as our shore-based operations are fully certified under the ISM Code.

Under Chapter IX of the SOLAS Convention, or the International Safety Management Code for the Safe Operation of Ships and for Pollution Prevention (the "ISM Code"), our operations are also subject to environmental standards and requirements. The ISM Code requires the party with operational control of a vessel to develop an extensive safety management system that includes, among other things, the adoption of a safety and environmental protection policy setting forth instructions and procedures for operating its vessels safely and describing procedures for responding to emergencies. Through strong leadership and a disciplined, clearly documented management system, the Company promotes the concept of HSSE (Health, Safety, Security and Environmental) excellence at all levels in the organisation. This concept is achieved by consistent measurement and feedback of the Company's Management System in order to generate continuous and sustainable improvement in Health, Safety, Security, and Quality and Environmental (including Energy Efficiency) (HSSQE) management processes. The failure of a vessel owner or bareboat charterer to comply with the ISM Code may subject such party to increased liability, may decrease available insurance coverage for the affected vessels and may result in a denial of access to, or detention in, certain ports.

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

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

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

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

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

Furthermore, recent action by the IMO's Maritime Safety Committee and United States agencies indicates that cybersecurity regulations for the maritime industry are likely to be further developed in the near future in an attempt to combat cybersecurity threats. By IMO resolution, administrations are encouraged to ensure that cyber-risk management systems must be incorporated by ship-owners and managers by their first annual Document of Compliance audit after January 1, 2021. In February 2021, the U.S. Coast Guard published guidance on addressing cyber risks in a vessel's safety management system. This might cause companies to create additional procedures for monitoring cybersecurity, which could require additional expenses and/or capital expenditures. The impact of future regulations is hard to predict at this time.

Pollution Control and Liability Requirements

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

On December 4, 2013, the IMO Assembly passed a resolution revising the application dates of the BWM Convention so that the dates are triggered by the entry into force date and not the dates originally in the BWM Convention. This, in effect, makes all vessels delivered before the entry into force date "existing vessels" and allows for the installation of ballast water management systems on such vessels at the first International Oil Pollution Prevention ("IOPP") renewal survey following entry into force of the convention. The MEPC adopted updated guidelines for approval of ballast water management systems (G8) at MEPC 70. At MEPC 71, the schedule regarding the BWM Convention's implementation dates was also discussed and amendments were introduced to extend the date existing vessels are subject to certain ballast water standards. Those changes were adopted at MEPC 72. Ships over 400 gross tons generally must comply with a "D-1 standard," requiring the exchange of ballast water only in open seas and away from coastal waters. The "D-2 standard" specifies the maximum amount of viable organisms allowed to be discharged, and compliance dates vary depending on the IOPP renewal dates. Depending on the date of the IOPP renewal survey, existing vessels must comply with the D-2 standard on or after September 8, 2019. For most ships, compliance with the D-2 standard will involve installing on-board systems to treat ballast water and eliminate unwanted organisms. Ballast water management systems, which include systems that make use of chemical, biocides, organisms or biological mechanisms, or which alter the chemical or physical characteristics of the ballast water, must be approved in accordance with IMO Guidelines (Regulation D-3). As of October 13, 2019, MEPC 72's amendments to the BWM Convention took effect, making the Code for Approval of Ballast Water Management Systems, which governs assessment of ballast water management systems, mandatory rather than permissive, and formalized an implementation schedule for the D-2 standard. Under these amendments, all ships must meet the D-2 standard by September 8, 2024. Costs of compliance with these regulations may be substantial. Additionally, in November 2020, MEPC 75 adopted amendments to the BWM Convention which would require a commissioning test of the ballast water management system for the initial survey or when performing an additional survey for retrofits. This analysis will not apply to ships that already have an installed BWM system certified under the BWM Convention. These amendments have entered into force on June 1, 2022. In December 2022, MEPC 79 agreed that it should be permitted to use ballast tanks for temporary storage of treated sewage and grey water. MEPC 79 also established that ships are expected to return to D-2 compliance after experiencing challenging uptake water and bypassing a BWM system should only be used as a last resort. Guidance will be developed at MEPC 80 (in July 2023) to set out appropriate actions and uniform procedures to ensure compliance with the BWM Convention.

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

The IMO also adopted the International Convention on Civil Liability for Bunker Oil Pollution Damage (the "Bunker Convention") to impose strict liability on ship owners (including the registered owner, bareboat charterer, manager or operator) for pollution damage in jurisdictional waters of ratifying states caused by discharges of bunker fuel. The Bunker Convention requires registered owners of ships over 1,000 gross tons to maintain insurance for pollution damage in an amount equal to the limits of liability under the applicable national or international limitation regime (but not exceeding the amount calculated in accordance with the LLMC). With respect to non-ratifying states, liability for spills or releases of oil carried as fuel in ship's bunkers typically is determined by the national or other domestic laws in the jurisdiction where the events or damages occur.

Ships are required to maintain a certificate attesting that they maintain adequate insurance to cover an incident. In jurisdictions, such as the United States where the Bunker Convention has not been adopted, various legislative schemes or common law govern, and liability is imposed either on the basis of fault or on a strict-liability basis.

Anti-Fouling Requirements

In 2001, the IMO adopted the International Convention on the Control of Harmful Anti-fouling Systems on Ships, or the "Anti-fouling Convention." The Anti-fouling Convention, which entered into force on September 17, 2008, prohibits the use of organotin compound coatings to prevent the attachment of mollusks and other sea life to the hulls of vessels. Vessels of over 400 gross tons engaged in international voyages will also be required to undergo an initial survey before the vessel is put into service or before an International Anti-fouling System Certificate is issued for the first time; and subsequent surveys when the anti-fouling systems are altered or replaced.

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

Requirements for the Safe and Environmentally Sound Recycling of Ships

In 2009 the Hong Kong International Convention and MEPC 269(68) adopted the guidelines for the preparation of the Inventory of Hazardous Materials. The Convention concerns all vessels over 500 GT entitled to fly the flag of a Party or operating under its authority, with some exceptions like warships. According to the Convention the shipowner should control Ship's Hazardous Materials inherent in ship's structure, machinery, equipment and paints, coatings and prohibit the new installations of Hazardous Materials, by maintaining an Inventory of Hazardous Materials (IHM). It is the Company's responsibility to maintain the IHM Part I up to date, during the life of the ship, according to MEPC Guidelines. The ships are subject to survey (initial, renewal, additional and final) and certification and should keep a valid International Certificate on Inventory of Hazardous Materials or an International Ready for Recycling Certificate (in case of recycling), on board. For ships been resulted to contain hazardous materials (like asbestos), actions for removal should be taken by the shipowner. The ships should only be recycled according to the regulations. If the ship is detected to be in violation of this Convention, the Party carrying out an inspection may take steps to warn, detain, dismiss, or exclude the ship from its ports, which might have an impact in our commercial image and cause high fines to the company. Our fleet already complies with this regulation, although not yet into force, but the preparation, maintenance and whenever needed removal have resulted in substantial costs.

Compliance Enforcement

Noncompliance with the ISM Code or other IMO regulations may subject the ship owner or bareboat charterer to increased liability, may lead to decreases in available insurance coverage for affected vessels and may result in the denial of access to, or detention in, some ports. The USCG and European Union authorities have indicated that vessels not in compliance with the ISM Code by applicable deadlines will be prohibited from trading in U.S. and European Union ports, respectively. As of the date of this report, each of our vessels is ISM Code certified. The IMO continues to review and introduce new regulations. It is impossible to predict what additional regulations, if any, may be passed by the IMO and what effect, if any, such regulations might have on our operations.

U.S. Regulations

The U.S. Oil Pollution Act of 1990 and the Comprehensive Environmental Response, Compensation and Liability Act

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

Under OPA, vessel owners and operators are "responsible parties" and are jointly, severally and strictly liable (unless the spill results solely from the act or omission of a third party, an act of God or an act of war) for all containment and clean-up costs and other damages arising from discharges or threatened discharges of oil from their vessels, including bunkers (fuel). OPA defines these other damages broadly to include:

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

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

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

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

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

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

OPA contains statutory caps on liability and damages; such caps do not apply to direct cleanup costs. Effective November 12, 2019, the USCG adjusted the limits of OPA liability for non-tank vessels, edible oil tank vessels, and any oil spill response vessels, to the greater of $1,200 per gross ton or $997,100 (subject to periodic adjustment for inflation). On December 23, 2022, the USCG issued a final rule to adjust the limitation of liability under the OPA. Effective March 23, 2022, the new adjusted limits of OPA liability for non-tank vessels, edible oil tank vessels, and any oil spill response vessels, to the greater of $1,300 per gross ton or $1,076,000 (subject to periodic adjustment for inflation).These limits of liability do not apply if an incident was proximately caused by the violation of an applicable U.S. federal safety, construction or operating regulation by a responsible party (or its agent, employee or a person acting pursuant to a contractual relationship), or a responsible party's gross negligence or willful misconduct. The limitation on liability similarly does not apply if the responsible party fails or refuses to (i) report the incident as required by law where the responsible party knows or has reason to know of the incident; (ii) reasonably cooperate and assist as requested in connection with oil removal activities; or (iii) without sufficient cause, comply with an order issued under the Federal Water Pollution Act (Section 311 (c), (e)) or the Intervention on the High Seas Act.

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

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

The 2010 *Deepwater Horizon* oil spill in the Gulf of Mexico resulted in additional regulatory initiatives or statutes, including higher liability caps under OPA, new regulations regarding offshore oil and gas drilling, and a pilot inspection program for offshore facilities. However, several of these initiatives and regulations have been or may be revised. For example, the U.S. Bureau of Safety and Environmental Enforcement's ("BSEE") revised Production Safety Systems Rule ("PSSR"), effective December 27, 2018, modified and relaxed certain environmental and safety protections under the 2016 PSSR. Additionally, the BSEE amended the Well Control Rule, effective July 15, 2019, which rolled back certain reforms regarding the safety of drilling operations, and the former U.S. President Trump had proposed leasing new sections of U.S. waters to oil and gas companies for offshore drilling. In January 2021, U.S. President Biden signed an executive order temporarily blocking new leases for oil and gas drilling in federal waters. However, attorney generals from 13 states filed suit in March 2021 to lift the executive order, and in June 2021, a federal judge in Louisiana granted a preliminary injunction against the Biden administration, stating that the power to pause offshore oil and gas leases "lies solely with Congress." In August 2022, a federal judge in Louisiana sided with Texas Attorney General Ken Paxton, along with the other 12 plaintiff states, by issuing a permanent injunction against the Biden Administration's moratorium on oil and gas leasing on federal public lands and offshore waters. With these rapid changes, compliance with any new requirements of OPA and future legislation or regulations applicable to the operation of our vessels could impact the cost of our operations and adversely affect our business.

OPA specifically permits individual states to impose their own liability regimes with regard to oil pollution incidents occurring within their boundaries, provided they accept, at a minimum, the levels of liability established under OPA and some states have enacted legislation providing for unlimited liability for oil spills. Many U.S. states that border a navigable waterway have enacted environmental pollution laws that impose strict liability on a person for removal costs and damages resulting from a discharge of oil or a release of a hazardous substance. These laws may be more stringent than U.S. federal law. Moreover, some states have enacted legislation providing for unlimited liability for discharge of pollutants within their waters, although in some cases, states which have enacted this type of legislation have not yet issued implementing regulations defining vessel owners' responsibilities under these laws. The Company intends to comply with all applicable state regulations in the ports where the Company's vessels call.

We currently maintain pollution liability coverage insurance in the amount of $1 billion per incident for each of our vessels. If the damages from a catastrophic spill were to exceed our insurance coverage, it could have an adverse effect on our business and results of operation.

Other United States Environmental Initiatives

The U.S. Clean Air Act of 1970 (including its amendments of 1977 and 1990) ("CAA") requires the EPA to promulgate standards applicable to emissions of volatile organic compounds and other air contaminants. The CAA requires states to adopt State Implementation Plans, or SIPs, some of which regulate emissions resulting from vessel loading and unloading operations which may affect our vessels. The U.S. Clean Water Act ("CWA") prohibits the discharge of oil, hazardous substances and ballast water in U.S. navigable waters unless authorized by a duly-issued permit or exemption, and imposes strict liability in the form of penalties for any unauthorized discharges. The CWA also imposes substantial liability for the costs of removal, remediation and damages and complements the remedies available under OPA and CERCLA. In 2015, the EPA expanded the definition of "waters of the United States" ("WOTUS"). In 2019 and 2020, the agencies repealed the prior WOTUS Rule and promulgated the Navigable Waters Protection Rule ("NWPR") which significantly reduced the scope and oversight of EPA and the Department of the Army in traditionally non navigable waterways. On August 30, 2021, a federal district court in Arizona vacated the NWPR and directed the agencies to replace the rule. On December 7, 2021, the EPA and the Department of the Army proposed a rule that would reinstate the pre-2015 definition. On December 30, 2022, the EPA and the Department of Army announced the final WOTUS rule that largely reinstated the pre-2015 definition.

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

European Union Regulations

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

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

On September 15, 2020, the European Parliament voted to include greenhouse gas emissions from the maritime sector in the European Union's carbon market, the EU Emissions Trading System ("EU ETS"). On July 14, 2021, the European Parliament formally proposed its plan, which would involve gradually including the maritime sector from 2023 and phasing the sector in over three-year period. This will require shipowners to buy permits to cover these emissions. The Environment Council adopted a general approach on the proposal in June 2022. On December 18, 2022, the Environmental Council and European Parliament agreed to include maritime shipping emissions within the scope of the EU ETS on a gradual introduction of obligations for shipping companies to surrender allowances: 40% for verified emissions from 2024, 70% for 2025 and 100% for 2026. Most large vessels will be included in the scope of the EU ETS from the start. Big offshore vessels of 5,000 gross tonnage and above will be included in the 'MRV' on the monitoring, reporting and verification of CO2 emissions from maritime transport regulation from 2025 and in the EU ETS from 2027.

EU Ship Recycling Regulation

The Regulation is mostly aligned with the Hong Kong Convention on Ship Recycling, mentioned earlier and aims quick ratification of the Convention. However, it sets some additional requirements and has been into force since 2015 for new ships and 2020 for existing ships. It concerns vessels over 500 GT flying the flag of a member state or vessels flying the flag of a 3rd party calling at port or anchorage of member states. Our fleet fully complies with this regulation. Our fleet's Inventories of Hazardous Materials preparation, certification and continuous maintenance have resulted in a significant cost to the Company.

International Labour Organization

The International Labour Organization (the "ILO") is a specialized agency of the UN that has adopted the Maritime Labor Convention 2006 ("MLC 2006"). A Maritime Labor Certificate and a Declaration of Maritime Labor Compliance is required to ensure compliance with the MLC 2006 for all ships that are 500 gross tonnage or over and are either engaged in international voyages or flying the flag of a Member and operating from a port, or between ports, in another country. All of our vessels are certified under the Maritime Labor Convention 2006 ("MLC 2006")

Greenhouse Gas Regulation

Currently, the emissions of greenhouse gases from international shipping are not subject to the Kyoto Protocol to the United Nations Framework Convention on Climate Change, which entered into force in 2005 and pursuant to which adopting countries have been required to implement national programs to reduce greenhouse gas emissions with targets extended through 2020. International negotiations are continuing with respect to a successor to the Kyoto Protocol, and restrictions on shipping emissions may be included in any new treaty. In December 2009, more than 27 nations, including the U.S. and China, signed the Copenhagen Accord, which includes a non-binding commitment to reduce greenhouse gas emissions. The 2015 United Nations Climate Change Conference in Paris resulted in the Paris Agreement, which entered into force on November 4, 2016 and does not directly limit greenhouse gas emissions from ships. The U.S. initially entered into the agreement, but on June 1, 2017, the former U.S. President Trump announced that the United States intends to withdraw from the Paris Agreement, and the withdrawal became effective on November 4, 2020. On January 20, 2021, U.S. President Biden signed an executive order to rejoin the Paris Agreement. It will take 30 days for the United States to rejoin.

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

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

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

Vessel Security Regulations

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

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

The USCG regulations, intended to align with international maritime security standards, exempt non-U.S. vessels from MTSA vessel security measures, provided such vessels have on board a valid ISSC that attests to the vessel's compliance with the SOLAS Convention security requirements and the ISPS Code. Future security measures could have a significant financial impact on us. We intend to comply with the various security measures addressed by MTSA, the SOLAS Convention and the ISPS Code. The cost of vessel security measures has also been affected by the escalation in the frequency of acts of piracy against ships, notably off the coast of Somalia, including the Gulf of Aden and Arabian Sea area. Substantial loss of revenue and other costs may be incurred as a result of detention of a vessel or additional security measures, and the risk of uninsured losses could significantly affect our business. Costs are incurred in taking additional security measures in accordance with Best Management Practices to Deter Piracy, notably those contained in the BMP5 industry standard.

Inspection by Flag administration and Classification Societies

The flag represents the nationality of the ship, showing that it's under the control of the registered country and must comply with international and maritime law of it. The flag is required to take measures to ensure safety at sea and should verify that ships under its authority, conform relevant international standards, in regard to construction, design, equipment and manning of ships, through on board physical inspections.

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

A vessel must undergo annual surveys, intermediate surveys, drydockings and special surveys. In lieu of a special survey, a vessel’s machinery may be on a continuous survey cycle, under which the machinery would be surveyed periodically over a five-year period. Every vessel should have a minimum of two examinations of the outside of a vessel's bottom and related items during each five-year special survey period. One such examination is to be carried out in conjunction with the Special Periodical Survey. In all cases, the interval between any two such examinations is not to exceed 36 months. In all cases, the interval between any two such examinations is not to exceed 36 months. If any vessel does not maintain its class and/or fails any annual survey, intermediate survey, drydocking or special survey, the vessel will be unable to carry cargo between ports and will be unemployable and uninsurable which could cause us to be in violation of certain covenants in our loan agreements. Any such inability to carry cargo or be employed, or any such violation of covenants, could have a material adverse impact on our financial condition and results of operations.

Risk of Loss and Liability Insurance

General

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

While we maintain hull and machinery insurance, war risks insurance, protection and indemnity cover and freight, demurrage and defense cover for our operating fleet in amounts that we believe to be prudent to cover normal risks in our operations, we may not be able to achieve or maintain this level of coverage throughout a vessel's useful life. Furthermore, while we believe that our present insurance coverage is adequate, not all risks can be insured, and there can be no guarantee that any specific claim will be paid, or that we will always be able to obtain adequate insurance coverage at reasonable rates.

Hull & Machinery and War Risks Insurance

We maintain marine hull and machinery and war risks insurance, which cover, among other marine risks, the risk of actual or constructive total loss, for all of our vessels. Our vessels are each covered up to at least fair market value with deductibles ranging to a maximum of $100,000 per vessel per incident for Panamax, Kamsarmax and Post-Panamax vessels and $150,000 per vessel per incident for Capesize and Newcastlemax vessels.

Protection and Indemnity Insurance

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

Our current protection and indemnity insurance coverage for pollution is $1 billion per vessel per incident. The 13 P&I Associations that comprise the International Group insure approximately 90% of the world's commercial tonnage and have entered into a pooling agreement to reinsure each association's liabilities. The International Group's website states that the Pool provides a mechanism for sharing all claims in excess of US$10 million up to, currently, approximately US$8.2 billion. As a member of a P&I Association, which is a member of the International Group, we are subject to calls payable to the associations based on our claim records as well as the claim records of all other members of the individual associations and members of the shipping pool of P&I Associations comprising the International Group. Our vessels may be subject to supplemental calls which are based on estimates of premium income and anticipated and paid claims. Such estimates are adjusted each year by the Board of Directors of the P&I Association until the closing of the relevant policy year, which generally occurs within three years from the end of the policy year. Supplemental calls, if any, are expensed when they are announced and according to the period they relate to.

C. Organizational structure

Diana Shipping Inc. is the sole owner of all of the issued and outstanding shares of the subsidiaries listed in Exhibit 8.1 to this annual report.

D. Property, plants and equipment

Since October 8, 2010, DSS owns the land and the building where we have our principal corporate offices in Athens, Greece. In addition, in December 2014, DSS acquired a plot of land jointly with two other related entities from unrelated individuals and in November 2021 acquired an additional part of this land owned by one of our related parties. This plot is in the same area as our principal offices. Other than this interest in real property, our only material properties are the vessels in our fleet, owned and bareboat chartered-in.

Item 4A. Unresolved Staff Comments

None.

Item 5. Operating and Financial Review and Prospects

The following management's discussion and analysis should be read in conjunction with our historical consolidated financial statements and their notes included elsewhere in this annual report. This discussion contains forward-looking statements that reflect our current views with respect to future events and financial performance. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors, such as those set forth in the section entitled "Risk Factors" and elsewhere in this annual report.

A. Operating results

Factors Affecting Our Results of Operations

We believe that our results of operations are affected by the following factors:

(1) Average number of vessels is the number of vessels that constituted our fleet for the relevant period, as measured by the sum of the number of days each vessel was a part of our fleet during the period divided by the number of calendar days in the period.

(2) Ownership days are the aggregate number of days in a period during which each vessel in our fleet has been owned by us. 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 that we record during a period.

(3) Available days are the number of our ownership days less the aggregate number of days that our vessels are off-hire due to scheduled repairs or repairs under guarantee, vessel upgrades or special surveys and the aggregate amount of time that we spend positioning our vessels for such events. The shipping industry uses available days to measure the number of days in a period during which vessels should be capable of generating revenues.

(4) 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 any reason, including unforeseen circumstances. The shipping industry uses operating days to measure the aggregate number of days in a period during which vessels actually generate revenues.

(5) We calculate fleet utilization by dividing the number of our operating days during a period by the number of our available days during the period. The shipping industry uses fleet utilization to measure a company's efficiency in finding suitable employment for its vessels and minimizing the amount of days that its vessels are off-hire for reasons other than scheduled repairs or repairs under guarantee, vessel upgrades, special surveys or vessel positioning for such events.

(6) Time charter equivalent rates, or TCE rates, are defined as our time charter revenues less voyage expenses during a period divided by the number of our available days during the period, which is consistent with industry standards. Voyage expenses include port charges, bunker (fuel) expenses, canal charges and commissions. TCE rate is a non-GAAP measure, and management believes it is useful to investors because it is a standard shipping industry performance measure used primarily to compare daily earnings generated by vessels on time charters with daily earnings generated by vessels on voyage charters, because charter hire rates for vessels on voyage charters are generally not expressed in per day amounts while charter hire rates for vessels on time charters are generally expressed in such amounts.

(7) Daily vessel operating expenses, which include crew wages and related costs, the cost of insurance, expenses relating to repairs and maintenance, the costs of spares and consumable stores, tonnage taxes and other miscellaneous expenses, are calculated by dividing vessel operating expenses by ownership days for the relevant period.

The following table reflects such factors for the periods indicated:

	As of and for the Year Ended December 31,		
	2022	2021	2020
Fleet Data:			
Average number of vessels (1)	35.4	36.6	40.8
Number of vessels at year-end	42.0	33.0	40.0
Weighted average age of vessels at year-end (in years)	10.2	10.4	10.2
Ownership days (2)	12,924	13,359	14,931
Available days (3)	12,449	13,239	14,318
Operating days (4)	12,306	13,116	14,020
Fleet utilization (5)	98.9%	99.1%	97.9%
Average Daily Results:			
Time charter equivalent (TCE) rate (6)	$ 22,735	$ 15,759	$ 10,910
Daily vessel operating expenses (7)	5,574	5,596	5,750

The following table reflects the calculation of our TCE rates for the periods presented:

	Year Ended December 31,		
	2022	2021	2020
	(in thousands of U.S. dollars, except for TCE rates, which are expressed in U.S. dollars, and available days)		
Time charter revenues	$ 289,972	$ 214,203	$ 169,733
Less: voyage expenses	(6,942)	(5,570)	(13,525)
Time charter equivalent revenues	$ 283,030	$ 208,633	$ 156,208
Available days	12,449	13,239	14,318
Time charter equivalent (TCE) rate	$ 22,735	$ 15,759	$ 10,910

Time Charter Revenues

Our revenues are driven primarily by the number of vessels in our fleet, the number of days during which our vessels operate and the amount of daily charter hire rates that our vessels earn under charters, which, in turn, are affected by a number of factors, including:

- the duration of our charters;
- our decisions relating to vessel acquisitions and disposals;
- the amount of time that we spend positioning our vessels;
- the amount of time that our vessels spend in drydock undergoing repairs;
- maintenance and upgrade work;
- the age, condition and specifications of our vessels;
- levels of supply and demand in the dry bulk shipping industry.

Vessels operating on time charters for a certain period of time provide more predictable cash flows over that period of time but can yield lower profit margins than vessels operating in the spot charter market during periods characterized by favorable market conditions. Vessels operating in the spot charter market generate revenues that are less predictable but may enable their owners to capture increased profit margins during periods of improvements in charter rates although their owners would be exposed to the risk of declining charter rates, which may have a materially adverse impact on financial performance. As we employ vessels on period charters, future spot charter rates may be higher or lower than the rates at which we have employed our vessels on period charters. Our time charter agreements subject us to counterparty risk. In depressed market conditions, charterers may seek to renegotiate the terms of their existing charter parties or avoid their obligations under those contracts. Should a counterparty fail to honor their obligations under agreements with us, we could sustain significant losses which could have a material adverse effect on our business, financial condition, results of operations and cash flows. Revenues derived from time charter agreements in 2022 were increased compared to previous years, due to the significant increase in charter rates, despite the decrease in the size of our fleet, evident in the decrease of the average number of vessels. In 2023, we expect the average number of vessels to increase, as currently our fleet consists of 41 vessels, however, due to the decrease of the time charter rates observed in the current market, we expect our revenues in 2023 to decrease compared to 2022.

Voyage Expenses

We incur voyage expenses that mainly include commissions because all of our vessels are employed under time charters that require the charterer to bear voyage expenses such as bunkers (fuel oil), port and canal charges. Although the charterer bears the cost of bunkers, we also have bunker gain or loss deriving from the price differences of bunkers. When a vessel is delivered to a charterer, bunkers are purchased by the charterer and sold back to us on the redelivery of the vessel. Bunker gain, or loss, results when a vessel is redelivered by her charterer and delivered to the next charterer at different bunker prices, or quantities.

We currently pay commissions ranging from 4.75% to 5.00% of the total daily charter hire rate of each charter to unaffiliated ship brokers, in-house brokers associated with the charterers, depending on the number of brokers involved with arranging the charter. In addition, we pay a commission to DWM and to DSS for those vessels for which they provide commercial management services. The commissions paid to DSS are eliminated from our consolidated financial statements as intercompany transactions. For 2023, we expect our voyage expenses to decrease compared to 2022, due to the expected decrease in revenues. The effect of bunker prices cannot be determined, as a gain or loss from bunkers results mainly from the difference in the value of bunkers paid by the Company when the vessel is redelivered to the Company from the charterer under the vessel's previous time charter agreement and the value of bunkers sold by the Company when the vessel is delivered to a new charterer.

Vessel Operating Expenses

Vessel operating expenses include crew wages and related costs, the cost of insurance, expenses relating to repairs and maintenance, the cost of spares and consumable stores, tonnage taxes, environmental plan costs and HSQ and vetting. Our vessel operating expenses generally represent fixed costs. Vessel operating expenses have been reduced since 2021 due to the decrease in ownership days. For 2023, we expect our operating expenses to increase compared to 2022, as a result of the average increase of the size of the fleet compared to 2022.

Vessel Depreciation

The cost of our vessels is depreciated on a straight-line basis over the estimated useful life of each vessel. Depreciation is based on the cost of the vessel less its estimated salvage value. We estimate the useful life of our dry bulk vessels to be 25 years from the date of initial delivery from the shipyard, which we believe is common in the dry bulk shipping industry. Furthermore, we estimate the salvage values of our vessels based on historical average prices of the cost of the light-weight ton of vessels being scrapped. During 2021, we sold four vessels in January, March and July of 2021 and in November 2021 we contributed to OceanPal the shares of three ship-owning companies, owning the vessels *Calipso*, *Protefs* and *Salt Lake City*. Three of the vessels sold in 2021 were held for sale since 2020, when we agreed to sell them. In 2020, we had agreed to sell two more vessels, for which their sales were concluded in 2020. Following all these transactions, vessel depreciation decreased from 2020 to 2021 and increased again in 2022, as we took delivery of ten vessels and sold one. As of the date of this annual report, we have taken delivery of one Ultramax vessel, we expect to take delivery of one additional Ultramax vessel and we sold two vessels. For 2023, we expect depreciation expense to increase due to the increase in the number of vessels in our fleet.

General and Administrative Expenses

We incur general and administrative expenses which include our onshore related expenses such as payroll expenses of employees, executive officers, directors and consultants, compensation cost of restricted stock awarded to senior management and non-executive directors, traveling, promotional and other expenses of the public company, such as legal and professional expenses and other general expenses. During the last three years, our general and administrative expenses are at the same level with the exception of 2020 which increased due to an accelerated vesting of restricted stocks of board members who resigned and the shares which were awarded to them fully vested on the date of their resignation. For 2023, we expect our general and administrative expenses to increase, due to anticipated increases in payroll and other office expenses. General and administrative expenses are not affected by the size of the fleet. However, they are affected by the exchange rate of Euro to US Dollars, as about half of our administrative expenses are in Euro.

Interest and Finance Costs

We incur interest expense and financing costs in connection with vessel-specific debt, senior unsecured bond and finance liabilities. As of December 31, 2022 our aggregate debt amounted to $530.1 million and our finance liabilities amounted to $142.4 million. While our bond and finance liabilities have a fixed interest rate, the loan agreements with our banks have a floating rate based on LIBOR or term SOFR plus a margin. During 2022, we entered into a new loan agreement based on term SOFR, and we will need to transition our existing loan agreements from LIBOR to an alternative reference rate prior to June 2023. As of the date of this report, we do not have any agreements to mitigate our exposure in interest rates and we have not made any agreements with our banks to replace LIBOR, but we are in discussions to do so. To date, we have selected term SOFR to replace LIBOR but, we are not in a position to determine the effect of interest rates on our results of operations and cash flows. Interest rates have started increasing since the beginning of 2022, continue to increase in 2023 and taking into account the increase in the outstanding amount of debt, we expect interest and finance costs in 2023 to increase. We expect to manage the exposure in interest rates through our regular operating and financing activities.

Lack of Historical Operating Data for Vessels before Their Acquisition

Although vessels are generally acquired free of charter, we have acquired (and may in the future acquire) some vessels with time charters. It is rare in the shipping industry for the last charterer of the vessel in the hands of the seller to continue as the first charterer of the vessel in the hands of the buyer. In most cases, when a vessel is under time charter and the buyer wishes to assume that charter, the vessel cannot be acquired without the charterer's consent and the buyer entering into a separate direct agreement (called a "novation agreement") with the charterer to assume the charter. The purchase of a vessel itself does not transfer the charter because it is a separate service agreement between the vessel owner and the charterer.

Where we identify any intangible assets or liabilities associated with the acquisition of a vessel, we record all identified assets or liabilities at fair value. Fair value is determined by reference to market data. We value any asset or liability arising from the market value of the time charters assumed when a vessel is acquired. The amount to be recorded as an asset or liability at the date of vessel delivery is based on the difference between the current fair market value of the charter and the net present value of future contractual cash flows. When the present value of the time charter assumed is greater than the current fair market value of such charter, the difference is recorded as prepaid charter revenue. When the opposite situation occurs, any difference, capped to the vessel's fair value on a charter-free basis, is recorded as deferred revenue. Such assets and liabilities, respectively, are amortized as a reduction of, or an increase in, revenue over the period of the time charter assumed.

When we purchase a vessel and assume or renegotiate a related time charter, among others, we must take the following steps before the vessel will be ready to commence operations:

- obtain the charterer's consent to us as the new owner;
- obtain the charterer's consent to a new technical manager;
- in some cases, obtain the charterer's consent to a new flag for the vessel;
- arrange for a new crew for the vessel, and where the vessel is on charter, in some cases, the crew must be approved by the charterer;
- replace all hired equipment on board, such as gas cylinders and communication equipment;
- negotiate and enter into new insurance contracts for the vessel through our own insurance brokers;
- register the vessel under a flag state and perform the related inspections in order to obtain new trading certificates from the flag state;
- implement a new planned maintenance program for the vessel; and
- ensure that the new technical manager obtains new certificates for compliance with the safety and vessel security regulations of the flag state.

When we charter a vessel pursuant to a long-term time charter agreement with varying rates, we recognize revenue on a straight-line basis, equal to the average revenue during the term of the charter.

The following discussion is intended to help you understand how acquisitions of vessels affect our business and results of operations.

Our business is mainly comprised of the following elements:

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

The employment and operation of our vessels mainly require the following components:

- vessel maintenance and repair;

- crew selection and training;
- vessel spares and stores supply;
- contingency response planning;
- onboard safety procedures auditing;
- accounting;
- vessel insurance arrangement;
- vessel chartering;
- vessel security training and security response plans (ISPS);
- obtaining of ISM certification and audit for each vessel within the six months of taking over a vessel;
- vessel hiring management;
- vessel surveying; and
- vessel performance monitoring.

The management of financial, general and administrative elements involved in the conduct of our business and ownership of our vessels mainly requires the following components:

- management of our financial resources, including banking relationships, i.e., administration of bank loans and bank accounts;
- management of our accounting system and records and financial reporting;
- administration of the legal and regulatory requirements affecting our business and assets; and
- management of the relationships with our service providers and customers.

The principal factors that affect our profitability, cash flows and shareholders' return on investment include:

- rates and periods of charter hire;
- levels of vessel operating expenses;
- depreciation expenses;
- financing costs;
- the effects of COVID-19;
- the war in the Ukraine;
- inflation, and

- fluctuations in foreign exchange rates.

Results of Operations

Year ended December 31, 2022 compared to the year ended December 31, 2021

Time charter revenues. Time charter revenues increased by $75.8 million, or 35%, to $290.0 million in 2022, compared to $214.2 million in 2021. The increase in time charter revenues was due to increased average time charter rates that the Company achieved for its vessels, which increased our TCE rate to $22,735 in 2022 from $15,759 in 2021, representing a 44% increase. This increase was partly offset by decreased operating days during 2022, as compared to last year. Operating days in 2022 were 12,306 compared to 13,116 in 2021, resulting from the decrease in our fleet due to the sale of vessels and increased drydock and off hire days in 2022 compared to last year.

Voyage expenses. Voyage expenses increased by $1.3 million, or 23%, to $6.9 million in 2022 as compared to $5.6 in 2021. This increase was mainly due to commissions, which is the main part of voyage expenses, and which in 2022 increased to $14.4 million compared to $10.8 million in 2021 The increase was partly offset by increased gain on bunkers amounting to $8.1 million in 2022 compared to $6.0 million in 2021. The gain on bunkers was mainly due to the difference in the price of bunkers paid by the Company to the charterers on the redelivery of the vessels from the charterers under the previous charter party agreement and the price of bunkers paid by charterers to the Company on the delivery of the same vessels to their charterers under new charter party agreements.

Vessel operating expenses. Vessel operating expenses decreased by $2.8 million, or 4%, to $72.0 million in 2022 compared to $74.8 million in 2021. The decrease in operating expenses is attributable to the decrease in ownership days in 2022, as a result of the sale of vessels last year and OceanPal's spinoff and the sale of one additional vessel in 2022. The acquisition of eight vessels in the fourth quarter of 2022 was not enough to balance the size of the fleet. Operating expenses also decreased due to decreased crew costs, spares and other consumables. The decrease was partly offset by increased insurance costs due to increased premiums, taxes and environmental and health, safety and vetting expenses. Total daily operating expenses were $5,574 in 2022 compared to $5,596 in 2021.

Depreciation and amortization of deferred charges. Depreciation and amortization of deferred charges increased by $2.8 million, or 7%, to $43.3 million in 2022, compared to $40.5 million in 2021. This increase was due to the acquisition of ten vessels during 2022, as noted above, and was partly offset due to the sale of vessels in 2021, the vessels contributed to OceanPal in a spinoff which were removed from the fleet in November 2021 and the sale of vessel *Baltimore* which was classified as held for sale since June 2022 although her sale was completed in September 2022. A further increase incurred due to increased amortization of deferred cost as a result of the drydock cost incurred for twelve vessels having drydock surveys in 2022 and four in 2021.

General and administrative expenses. General and administrative expenses increased by $0.2 million, or 1%, to $29.4 million in 2022 compared to $29.2 million in 2021. The increase was mainly due to the accelerated vesting of restricted shares of a board member who resigned in 2022. The increase was partially offset due to decreased payroll cost and directors' and officers' insurance in 2022, as compared to 2021.

Management fees to related party. Management fees to a related party decreased by $0.9 million, or 64% to $0.5 million in 2022 compared to $1.4 million in 2021. The decrease was attributable to decreased average number of vessels managed by DWM in 2022 compared to 2021, due to the contribution, in November 2021, of three vessel-owning companies to OceanPal, which were all managed by DWM. The decrease was partially offset due to the acquisition of three Ultramax vessels, in the fourth quarter of 2022, whose management was assigned to DWM.

Gain on sale of vessels. Gain on sale of vessels increased by $1.5 million, or 107%, to $2.9 million which resulted from the sale of *Baltimore* in 2022 compared to $1.4 million in 2021 which resulted from the sale of *Naias* in 2021, partly offset by loss on sale of other vessels sold during the year.

Insurance recoveries. Insurance recoveries amounted to $1.8 million in 2022 and consisted of amounts received from our insurers for claims covered under the insurance policies during 2022. There was no comparative amount received last year.

Interest expense and finance costs. Interest expense and finance costs increased by $7.2 or 36% to $27.4 million in 2022 compared to $20.2 million in 2021. The increase was primarily attributable to increased average outstanding balance of debt and finance liabilities in 2022, resulting from a new loan agreement to finance the acquisition of nine Ultramax vessels and the sale and leaseback agreements we entered into, in 2022. A further increase was also derived from increased average interest rates resulting from our loan agreements, having a variable interest rate. In 2022, the weighted average interest rate of our secured loan agreements was 3.8% compared to 2.45% in 2021.

Interest and other income. Interest and other income increased by $2.5 million, or 1250%, to $2.7 million in 2022 compared to $0.2 million in 2021. The increase is mainly attributable to increased deposit rates in 2022 compared to 2021. A further increase derives from dividend income amounting to $0.9 million, from the Company's investment in OceanPal's Series C and Series D Preferred stock compared to $0.1 million in 2021.

Loss on extinguishment of debt. In 2022, loss on extinguishment of debt decreased by $0.6, or 60% to $0.4 million and consisted of financing costs written off as a result of the early prepayment of the outstanding balances of loans attributed to the one vessel sold and three vessels refinanced in sale and leaseback transactions in 2022. In 2021, loss on extinguishment of debt amounted to $1.0 million and consisted of the prepayment in full of four loan agreements refinanced by another bank and the redemption of our $100 million bond in September 2021.

Gain on spin-off of OceanPal Inc. The gain on spin-off of OceanPal Inc. in 2021 represents the difference between the fair value of the assets contributed to OceanPal, amounting to $48.1 million, and their carrying value consisting of $30.3 million of vessel cost and $0.5 million of unamortized deferred costs and $2.0 million of assets contributed.

Gain on dividend distribution. The gain on dividend distribution represents the gain recognized in 2022 upon the distribution of the 25,000 Convertible Series D Preferred Shares of OceanPal Inc. as a non cash dividend to the Company's shareholders, being the difference between the carrying value and the fair value of the Series D Preferred Shares on the date of the dividend declaration.

Gain/(loss) from equity method investments. In 2022, gain on equity method investments, amounted to $0.9 million, compared to a loss of $0.3 million in 2021 and relates to the result in each year of our 50% interest in DWM, attributed to us.

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

For a discussion of the year ended December 31, 2021 compared to the year ended December 31, 2020, please refer to "Item 5. Operating and Financial Review and Prospects" in our Annual Report on Form 20-F, for the year ended December 31, 2021 filed with the SEC on April 27, 2022.

B. Liquidity and Capital Resources

We finance our capital requirements with cash flow from operations, equity contributions from shareholders, long-term bank debt, finance liabilities and senior unsecured bonds. Our main uses of funds have been capital expenditures for the acquisition and construction of new vessels, expenditures incurred in connection with ensuring that our vessels comply with international and regulatory standards, repayments of bank loans, repurchase of our common stock and payment of dividends.

As of December 31, 2022 and 2021, working capital, which is current assets minus current liabilities, including the current portion of long-term debt and finance liabilities, amounted to $9.0 million and $60.5 million, respectively. The decrease in working capital is mainly due to a balloon payment amounting to $43.8 million under one of our loan agreements which is due in 2023. In 2022, we also entered into a new loan agreement with Nordea to finance the acquisition of nine new Ultramax vessels and four sale and leaseback agreements which increased the annual repayment installments. In addition, the Company's liabilities increased, due to the deliveries of eight vessels in the fourth quarter of 2022 and the increased need for predelivery and other costs relating to their acquisition.

Cash and cash equivalents, including restricted cash, was $97.4 million on December 31, 2022 and $126.8 million as of December 31, 2021. Restricted cash mainly consists of the minimum liquidity requirements under our loan facilities. As of December 31, 2022 and 2021, restricted cash amounted to $21.0 million and $16.5 million, respectively. We consider highly liquid investments such as time deposits, certificates of deposit and their equivalents with an original maturity of up to about three months to be cash equivalents. Time deposits with maturity above three months are removed from cash and cash equivalents and are separately presented as time deposits. In 2022, the time deposits above three months amounted to $46.5 million. Cash and cash equivalents are primarily held in U.S. dollars.

Net Cash Provided by Operating Activities

Net cash provided by operating activities increased by $69.2 million, or 77%. In 2022, net cash provided by operating activities was $158.9 million compared to net cash provided by operating activities of $89.7 million in 2021. This increase in cash from operating activities was attributable to increased revenues as a result of better rates compared to 2021. This increase was partly offset by increased dry-docking costs incurred for twelve vessels in 2022 compared to four vessels in 2021. Cash provided by operating activities was also affected by OceanPal's spin-off in 2021 which resulted in a gain of $15.3 million.

Net Cash Used in Investing Activities

Net cash used in investing activities was $273.1 million for 2022, which consists of $230.3 million paid for vessel acquisitions and improvements due to new regulations; $4.4 million of proceeds from the sale of one vessel in 2022; $46.5 million investment in time deposits with maturity above three months; and $0.7 million relating to the acquisition of equipment.

Net cash provided by investing activities was $13.4 million for 2021, which consists of $17.4 million paid for vessel acquisitions and improvements due to new regulations; $33.7 million of proceeds from the sale of four vessels in 2021; $0.4 million investment in DWM; $1.6 million relating to the acquisition of property and equipment and $1 million contributed to OceanPal inc. in relation to the spin-off transaction.

Net Cash Provided by Financing Activities

Net cash provided by financing activities was $84.9 million for 2022, which consists of $275.1 million proceeds from issuance of long term debt and finance liabilities; $102.8 million of indebtedness and finance liabilities that we repaid; $5.8 million and $79.8 million of cash dividends paid on our preferred and common stock, respectively; $3.8 million paid for repurchase of common stock; $5.3 million proceeds from issuance of common stock; and $3.3 million of finance costs paid in relation to new loan agreements and finance liabilities.

Net cash used in financing activities was $59.2 million for 2021, which consists of $101.3 million proceeds from issuance of long term debt and bond; $93.2 million of indebtedness that we repaid; $5.8 million and $8.8 million of dividends paid on our Series B Preferred Stock and common stock, respectively; $45.4 million paid for repurchase of common stock; and $7.6 million of finance costs paid in relation to new loan agreements and bond.

For a detailed discussion of cash flows for the year ended December 31, 2021 compared to the year ended December 31, 2020 please see "Item 5. Operating and Financial Review and Prospects - B. Liquidity and Capital Resources" included in our 2021 Annual Report filed on Form 20-F with the SEC on April 27, 2022.

Capital Expenditures

We make capital expenditures in connection with vessel acquisitions and constructions, which we finance with cash from operations, debt under loan facilities at terms acceptable to us, sale and leaseback agreements and with funds from equity issuances.

As of the date of this annual report, we have taken delivery of one Ultramax dry bulk vessel, under our agreement with Sea Trade and issued 2,033,613 common shares to Sea Trade. We funded part of the purchase price of the vessel through our $200 million loan agreement with Nordea, drawn in 2022. By April 2023, we also expect to take delivery of m/v *Nord Potomac*, which we have agreed to acquire from an unaffiliated entity for $27.9 million. As of the date of this annual report we have paid a 10% advance of the purchase price from cash on hand, and we expect to finance the balance of the purchase price through debt and equity. On March 20, 2023, we also paid a cash dividend on common stock of $0.15 per share, or $16.0 million which we funded through cash on hand. Finally, as of the date of this annual report, we prepaid $20.0 million of debt outstanding with cash on hand.

As of the date of this report, we do not have other capital expenditures for vessel acquisitions or constructions, but we expect to incur capital expenditures when our vessels undergo surveys. This process of recertification may require us to reposition these vessels from a discharging port to shipyard facilities, which will reduce our operating days during the period. We also incur capital expenditures for vessel improvements to meet new regulations. The loss of earnings associated with the decrease in operating days together with the capital needs for repairs and upgrades result in increased cash flow needs. We expect to cover such capital expenditures and cash flow needs with cash from operations and cash on hand.

In the next twelve months, we will require capital to fund ongoing operations, vessel improvements to meet requirements under new regulations, debt service, the payment of our preferred and common dividends and the payment of our bareboat charters. In 2023, we expect to refinance our loan agreements maturing in 2023 and early 2024 to decrease the installments required for debt service. Also, as of the date of this annual report, we have contracted revenues covering around 75% of our ownership days in 2023, in time charter agreements having an average time charter rate above our break-even rate as of December 31, 2022, and we have also fixed around 14% of our ownerships days in 2024. We believe that contracted and anticipated revenues will result in internally generated cash flows and together with available cash, which as of December 31, 2022 amounted to $76.4 million (excluding $21.0 million of compensating cash balances) and having additional investment in time deposits of $46.5 million which will mature during 2023, will be sufficient to fund such capital requirements. Should time charter rates remain at current levels as our time charter agreements are due for renewal during the year, we believe that we will be able to have sufficient funds to cover our capital expenditures in the long-term.

Long-term Debt and Finance Liabilities

As of December 31, 2022, we had $530.1 million of long term debt outstanding under our facilities and Bond, under the agreements described below.

Secured Term Loans

On December 18, 2014, two of our wholly owned subsidiaries entered into a loan agreement with BNP for a loan facility of $53.5 million to finance part of the acquisition cost of the *G. P. Zafirakis* and the *P. S. Palios* maturing on November 30, 2021. On June 29, 2020, we entered into a loan agreement to refinance the loan and extend its maturity to May 19, 2024. The loan is repayable in equal semi-annual installments of approximately $1.6 million and a balloon of $23.6 million payable together with the last installment. The refinanced loan bears interest at LIBOR plus a margin of 2.5%, increased from a margin of 2% of the original loan.

On March 17, 2015, eight of our wholly owned subsidiaries entered into a loan facility with Nordea for an amount of $93.1 million, maturing on March 19, 2021. On May 7, 2020, we entered into a new loan agreement to refinance the loan and extend its maturity to March 19, 2022. On July 29, 2021, we entered into a supplemental agreement with Nordea, pursuant to which the borrowers exercised their options to extend the loan maturity to March 2024 and to draw down an additional amount of $460,000. In July 2022, we prepaid an amount of $4.8 million due to the sale of *Baltimore* to OceanPal. Upon the prepayment, the loan is repayable in equal consecutive quarterly instalments of approximately $1.6 million and a balloon of $23.3 million, payable together with the last instalment. The loan bears interest at LIBOR plus a margin of 2.25%, increased from a margin of 2.1% of the original loan.

On March 26, 2015, three of our wholly owned subsidiaries entered into a loan agreement with ABN AMRO Bank N.V., or ABN, for a secured term loan facility of up to $53.0 million, maturing on March 30, 2021, to refinance part of the acquisition cost of the vessels *New York*, *Myrto* and *Maia* of which $50.2 million was drawn on March 30, 2015. On June 27, 2019, two of our wholly owned subsidiaries entered into a $25.0 million term loan agreement with ABN, maturing on June 28, 2024, to refinance the acquisition cost of the vessels *Selina, Ismene* and *Houston*. On May 22, 2020, we signed a term loan facility with ABN with the purpose to combine the two loans outstanding with ABN and extend the maturity of the first loan, maturing on March 30, 2021 to the maturity of the second loan, maturing on June 30, 2024. The first loan is repayable in equal consecutive quarterly instalments of about $1.0 million and a balloon of $13.4 million payable together with the last instalment and bears interest at LIBOR plus a margin of 2.4% increased from a margin of 2.0% of the original loan. The second loan is payable in consecutive quarterly instalments of $0.8 million each and a balloon instalment of $9.0 million payable together with the last instalment June 28, 2024. The loan bears interest at LIBOR plus a margin of 2.25%.

On May 20, 2021, we, through six wholly owned subsidiaries, signed a $91 million sustainability linked loan facility with ABN dated May 14, 2021, which was used to refinance existing loan agreements with other banks. On August 22, 2022, and following the sale and leaseback agreements of the vessels Santa Barbara and New Orleans, which were mortgaged to secure the loan, we prepaid an amount of $30.8 million, which was the part of the loan attributed to the two vessels. Following the prepayment, the loan is repayable in consecutive quarterly installments of $2.0 million each and a balloon of $13.6 million payable together with the last installment on May 20, 2026. The loan bears interest at LIBOR plus a margin of 2.15% per annum, which may be adjusted annually by maximum 10 basis points upwards or downwards, subject to the performance under certain sustainability KPIs.

On January 7, 2016, three of our wholly owned subsidiaries entered into a secured loan agreement with the Export-Import Bank of China for a loan of up to $75.7 million in order to finance part of the construction cost of three vessels. On January 4, 2017, we drew down $57.24 million to finance part of the construction cost of *San Francisco* and *Newport News*, both delivered on January 4, 2017. The loan is payable in 60 equal quarterly instalments of about $1.0 million each, the last of which is payable by January 4, 2032, and bears interest at LIBOR plus a margin of 2.3%.

On July 13, 2018, we entered into a loan agreement with BNP for a secured term loan facility of $75 million. The loan has a term of five years and is repayable in 20 consecutive quarterly instalments of $1.56 million and a balloon instalment of $43.75 million payable together with the last instalment on July 17, 2023. The loan bears interest at LIBOR plus a margin of 2.3%.

On March 14, 2019, two of our wholly owned subsidiaries entered into a term loan agreement with DNB Bank ASA for a loan of $19.0 million, to refinance the loan of *Crystalia* and *Atalandi*, which was repaid in February 2019. The loan is repayable in 20 consecutive quarterly instalments of $0.5 million and a balloon of $9.5 million payable together with the last instalment on March 14, 2024. The loan bears interest at LIBOR plus a margin of 2.4%. On March 14, 2023, we prepaid in full this loan amounting to $11.8 million.

On September 30, 2022, we entered into a $200 million loan agreement to finance the acquisition price of 9 Ultramax vessels. We drew down $197.2 million under the loan, in tranches for each vessel on their delivery to us. On December 12, 2022, we prepaid $21.9 million under the loan, attributed to DSI Andromeda, following the vessel's sale under a sale and leaseback agreement. Following this prepayment, the loan is repayable in 20 equal quarterly instalments of an aggregate amount of $3.7 million, and a balloon amounting to $100.9 million payable together with the last instalment on October 11, 2027. The loan bears interest at term SOFR plus a margin of 2.25%.

Under the secured term loans outstanding as of December 31, 2022, 34 vessels of our fleet were mortgaged with first preferred or priority ship mortgages. Additional securities required by the banks include first priority assignment of all earnings, insurances, first assignment of time charter contracts with duration that exceeds a certain period, pledge over the shares of the borrowers, manager's undertaking and subordination and requisition compensation and either a corporate guarantee by Diana Shipping Inc. (the "Guarantor") or a guarantee by the ship owning companies (where applicable), financial covenants, as well as operating account assignments. The lenders may also require additional security in the future in the event the borrowers breach certain covenants under the loan agreements. The secured term loans generally include restrictions as to changes in management and ownership of the vessels, additional indebtedness, as well as minimum requirements regarding hull cover ratio and minimum liquidity per vessel owned by the borrowers, or the Guarantor, maintained in the bank accounts of the borrowers, or the Guarantor. Furthermore, the secured term loans contain cross default provisions and additionally we are not permitted to pay any dividends following the occurrence of an event of default.

As of December 31, 2021 and 2022, and the date of this report, we were in compliance with all of our loan covenants.

Senior Unsecured Bond due 2026

On June 22, 2021, we issued a $125 million senior unsecured bond maturing in June 2026. The bond ranks ahead of subordinated capital and ranks the same with all other senior unsecured obligations of the Company other than obligations which are mandatorily preferred by law. The bond was offered to the investors of the 9.5% Bond, part of whom exchanged their bonds, including entities affiliated with our executive officers and directors who exchanged their securities and participated with an aggregate principal amount of $21 million. The bond pays interest from June 22, 2021 at a US Dollar fixed-rate coupon of 8.375% payable semi-annually in arrears in June and December of each year. The bond is callable in whole or in parts in June 2024 at a price equal to 103.35% of nominal value; between June 2025 to December 2025 at a price equal to 101.675% of the nominal value and after December 2025 at a price equal to 100% of nominal value. The bond includes financial and other covenants and is trading at Oslo Børs effective February 1, 2022. As of December 31, 2022 and as of the date of this annual report, we did not and have not designated any financial instruments as accounting hedging instruments.

Finance Liabilities

On March 15, 2022, we entered into a sale and leased back agreement for *Florida*, which we sold for $50 million, and leased back for a period of ten years, to finance the acquisition price of the vessel. Under the bareboat charter, we have the option to repurchase the vessel after the end of the third year of the charter period, or each year thereafter, until the termination of the lease, at specific prices, subject to irrevocable and written notice to the owner. If not repurchased earlier, we have the obligation to repurchase the vessel for $16.4 million, on the expiration of the lease on the tenth year.

On August 17, 2022, we entered into two sale and leaseback agreements with two unaffiliated Japanese third parties for *New Orleans* and *Santa Barbara*, for an aggregate amount of $66.4 million and prepaid a bank loan attributed to these vessels. The vessels were delivered to their buyers on September 8, 2022 and September 12, 2022, respectively and we chartered in both vessels under bareboat charter parties for a period of eight years, each. We have purchase options beginning at the end of the third year of each vessel's bareboat charter period, or each year thereafter, until the termination of the lease, at specific prices, subject to irrevocable and written notice to the owner. If not repurchased earlier, we have the obligation to repurchase the vessels for $13 million, each, on the expiration of each lease on the eighth year.

On December 6, 2022, we sold *DSI Andromeda* to an unrelated third party for $29.9 million and prepaid a bank loan attributed to the vessel. We leased back the vessel under a bareboat agreement for a period of ten years. Under the bareboat charter, we have the option to repurchase the vessel after the end of the third year of the charter period, or each year thereafter, until the termination of the lease, at specific prices, subject to irrevocable and written notice to the owner. If not repurchased earlier, we have the obligation to repurchase the vessel for $8.1 million, on the expiration of the lease on the tenth year.

C. Research and development, patents and licenses

We incur from time to time expenditures relating to inspections for acquiring new vessels that meet our standards. Such expenditures are insignificant and they are expensed as they incur.

D. Trend information

Demand for dry bulk vessel services is influenced by global financial conditions. Global financial markets and economic conditions have been, and continue to be, volatile. Our results of operations depend primarily on charter hire rates that we are able to realize, and the demand for dry bulk vessel services. The Baltic Dry Index, or the BDI, has long been viewed as the main benchmark to monitor the movements of the dry bulk vessel charter market and the performance of the entire dry bulk shipping market. In 2022, the BDI ranged from a high of 3369 on May 23, 2022 to a low of 965 on August 31, 2022 to drop again to a low of 530 on February 16, 2023. The BDI has since recovered from the February 2023 levels and closed at 1484 on March 23, 2023. Although there can be no assurance that the dry bulk charter market will not decline further, as of the date of this annual report, we have fixed about 75% of our fleet ownership days at rates above our break-even rate. Nevertheless, our revenues and results of operations in 2023 will be subject to demand for our services, the level of inflation, market disruptions and interest rates. Demand for our dry bulk oceangoing vessels is dependent upon economic growth in the world’s economies, seasonal and regional changes in demand and changes to the capacity of the global dry bulk fleet and the sources and supply for dry bulk cargo transported by sea. Continued adverse economic, political or social conditions or other developments could further negatively impact charter rates and therefore have a material adverse effect on our business and results of operations.

E. Critical Accounting Estimates

The discussion and analysis of our financial condition and results of operations are based upon our consolidated financial statements, which have been prepared in accordance with U.S. GAAP. The preparation of those financial statements requires us to make estimates and judgments that affect the reported amounts of assets and liabilities, revenues and expenses and related disclosure of contingent assets and liabilities at the date of our financial statements. Actual results may differ from these estimates under different assumptions and conditions.

Impairment of Vessels

Long-lived assets are reviewed for impairment whenever events or changes in circumstances (such as market conditions, obsolesce or damage to the asset, potential sales and other business plans) indicate that the carrying amount of an asset may not be recoverable. When the estimate of undiscounted projected net operating cash flows, excluding interest charges, expected to be generated by the use of an asset over its remaining useful life and its eventual disposition is less than its carrying amount, the Company evaluates the asset for impairment loss. Measurement of the impairment loss is based on the fair value of the asset, determined mainly by third party valuations.

For vessels, we calculate undiscounted projected net operating cash flows by considering the historical and estimated vessels' performance and utilization with the significant assumption being future charter rates for the unfixed days, using the most recent 10-year average of historical 1 year time charter rates available for each type of vessel over the remaining estimated life of each vessel, net of commissions. Historical ten-year blended average one-year time charter rates are in line with the Company's overall chartering strategy, they reflect the full operating history of vessels of the same type and particulars with the Company's operating fleet and they cover at least a full business cycle, where applicable. When the 10-year average of historical 1 year time charter rates is not available for a type of vessels, the Company uses the average of historical 1 year time charter rates of the available period. The historical ten-year average rate used in 2022 to calculate undiscounted projected net operating cash flow was $12,431 for Panamax, Kamsarmax and Post-Panamax vessels, $16,876 for Ultramax vessels and $16,128 for our Capesize and Newcastlmax vessels, compared to $11,363, nil and $15,543, respectively in 2021. Other assumptions used in developing estimates of future undiscounted cash flow are the charter rates calculated for the fixed days using the fixed charter rate of each vessel from existing time charters, the expected outflows for scheduled vessels' maintenance; vessel operating expenses; fleet utilization, and the vessels' residual value if sold for scrap. Assumptions are in line with our historical performance and our expectations for future fleet utilization under our current fleet deployment strategy. The difference between the carrying amount of the vessel plus unamortized deferred costs and their fair value is recognized in the Company's accounts as impairment loss. Although no impairment loss was identified or recorded in 2022, according to our assessment, the carrying value plus unamortized deferred cost of vessels for which impairment indicators existed as of December 31, 2022, was $574.8 million.

Historically, the market values of vessels have experienced volatility, which from time to time may be substantial. As a result, the charter-free market value of certain of our vessels may have declined below those vessels' carrying value plus unamortized deferred cost, even though we would not impair those vessels' carrying value under our accounting impairment policy. Based on: (i) the carrying value plus unamortized deferred cost of each of our vessels as of December 31, 2022 and 2021 and (ii) what we believe the charter-free market value of each of our vessels was as of December 31, 2022 and 2021, the aggregate carrying value of 17 and 2 of the vessels in our fleet as of December 31, 2022 and 2021, respectively, exceeded their aggregate charter-free market value by approximately $83 million and $6 million, respectively, as noted in the table below. This aggregate difference represents the approximate analysis of the amount by which we believe we would have to reduce our net income or increase our loss if we sold all of such vessels at December 31, 2022 and 2021, on a charter-free basis, on industry standard terms, in cash transactions, and to a willing buyer where we were not under any compulsion to sell, and where the buyer was not under any compulsion to buy. For purposes of this calculation, we have assumed that these 17 and 2 vessels would be sold at a price that reflects our estimate of their charter-free market values as of December 31, 2022 and 2021, respectively.

Vessel	Dwt	Year Built	Carrying Value plus unamortized deferred cost (in millions of US dollars) 2022	2021
1 Alcmene	93,193	2010	10.1	10.6
2 Aliki	180,235	2005	13.0	14.3
3 Amphitrite	98,697	2012	14.7	15.6
4 Artemis	76,942	2006	11.9	13.3
5 Astarte	81,513	2013	19.1	18.7
6 Atalandi	77,529	2014	16.4	17.2
7 Baltimore	177,243	2005	-	17.5
8 Boston	177,828	2007	18.2 *	16.6
9 Calipso	73,691	2005	-	-
10 Coronis	74,381	2006	-	-
11 Crystalia	77,525	2014	16.1	16.9
12 Electra	87,150	2013	14.9	13.8
13 G.P. Zafirakis	179,492	2014	23.0	23.8
14 Houston	177,729	2009	19.4	20.8
15 Ismene	77,901	2013	10.6	11.2
16 Leto	81,297	2010	13.7	14.7
17 Los Angeles	206,104	2012	24.8	24.2
18 Maera	75,403	2013	12.3	10.9
19 Maia	82,193	2009	13.4	14.0
20 Medusa	82,194	2010	13.1	14.2
21 Melia	76,225	2005	10.8	11.4
22 Myrsini	82,117	2010	15.1	16.5
23 Myrto	82,131	2013	18.9	18.2
24 Naias	73,546	2006	-	-
25 New Orleans	180,960	2015	33.1 *	34.9
26 New York	177,773	2010	14.5	15.5
27 Newport News	208,021	2017	42.4 *	43.6
28 Oceanis	75,211	2001	-	-
29 P.S. Palios	179,134	2013	37.4 *	36.9 *
30 Phaidra	87,146	2013	13.0	13.6
31 Philadelphia	206,040	2012	25.5	24.4
32 Polymnia	98,704	2012	15.0	15.9
33 Protefs	73,630	2004	-	-
34 Salt Lake City	171,810	2005	-	-
35 San Francisco	208,006	2017	42.5 *	44.6
36 Santa Barbara	179,426	2015	36.4 *	38.2 *
37 Seattle	179,362	2011	22.6	24.0
38 Selina	75,700	2010	9.3	10.1
39 Semirio	174,261	2007	17.6 *	15.7
40 Sideris GS	174,186	2006	-	-
41 LEONIDAS P.C.	82,165	2011	21.7 *	-
42 Florida	182,063	2022	59.1 *	-
43 DSI Pyxis	60,362	2018	36.1 *	-
44 DSI Pollux	60,446	2015	31.4 *	-
45 DSI Phoenix	60,456	2017	34.3 *	-
46 DSI Polaris	60,404	2018	36.9 *	-
47 DSI Andromeda	60,309	2016	33.3 *	-
48 DSI Aquila	60,309	2015	31.5 *	-
49 DSI Pegasus	60,508	2015	30.3 *	-
50 DSI Altair	60,309	2016	32.5 *	-
Total	**5,748,960**		**966**	**652**

*Indicates dry bulk vessels for which we believe, as of December 31, 2022 and 2021, the charter-free market value was lower than the vessel's carrying value plus unamortized deferred cost. We believe that the aggregate carrying value plus unamortized deferred cost of these vessels exceeded their aggregate charter-free market value by approximately $83 million and $6 million, respectively.

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

- reports by industry analysts and data providers that focus on our industry and related dynamics affecting vessel values;
- news and industry reports of similar vessel sales;
- offers that we may have received from potential purchasers of our vessels; and
- vessel sale prices and values of which we are aware through both formal and informal communications with shipowners, shipbrokers, industry analysts and various other shipping industry participants and observers.

As we obtain information from various industry and other sources, our estimates of charter-free market value are inherently uncertain. In addition, vessel values are highly volatile; as such, our estimates may not be indicative of the current or future charter-free market value of our vessels or prices that we could achieve if we were to sell them. We also refer you to the risk factor in "Item 3. Key Information—D. Risk Factors" entitled "*The market values of our vessels could decline, which could limit the amount of funds that we can borrow and could trigger breaches of certain financial covenants contained in our loan facilities, which could adversely affect our operating results, and we may incur a loss if we sell vessels following a decline in their market values*" and the discussion under the heading "Item 4. Information on the Company—B. Business Overview–Vessel Prices."

Our impairment test exercise is sensitive to variances in the time charter rates. Our current analysis, which also involved a sensitivity analysis by assigning possible alternative values to this significant input, indicated that time charter rates would need to be reduced by 9% to result in impairment of individual long-lived assets with indication of impairment. However, there can be no assurance as to how long charter rates and vessel values will remain at their current levels. If charter rates decrease and remain depressed for some time, it could adversely affect our revenue and profitability and future assessments of vessel impairment.

A comparison of the average estimated daily time charter equivalent rate used in our impairment analysis with the average "break-even rate" for each major class of vessels is presented below:

	Average estimated daily time charter equivalent rate used	**Average break-even rate**
Ultramax	$16,876	$12,609
Panamax/Kamsarmax/Post-Panamax	$12,431	$9,459
Capesize/Newcastlemax	$16,128	$11,911

It should be noted that as of December 31, 2022, seventeen of our vessels, having indication of impairment, would be affected by a reduction in time charter rates below the average break-even rate. Additionally, the use of the 1-year, 3-year and 5-year average blended rates would not have any effect on the Company's impairment analysis and as such on the Company's results of operations:

Vessel type	1-year (period)	Impairment charge (in USD million)	3-year (period)	Impairment charge (in USD million)	5-year (period)	Impairment charge (in USD million)
Ultramax	$23,025	-	$19,513	-	$16,876	-
Panamax/Kamsarmax/Post-Panamax	$20,387	-	$17,616	-	$15,551	-
Capesize/Newcastlemax	$19,539	-	$19,295	-	$18,477	-

Item 6. Directors, Senior Management and Employees

A. Directors and Senior Management

Set forth below are the names, ages and positions of our directors and executive officers. Our Board of Directors consists of eleven members and is elected annually on a staggered basis, and each director elected holds office for a three-year term and until his or her successor is elected and has qualified, except in the event of such director's death, resignation, removal or the earlier termination of his or her term of office. Officers are appointed from time to time by our board of directors and hold office until a successor is appointed or their employment is terminated.

Name	Age	Position
Semiramis Paliou	48	Class III Director, Chief Executive Officer
Simeon Palios	81	Class I Director, and Chairman
Anastasios Margaronis	67	Class I Director and President
Ioannis Zafirakis	51	Class I Director, Chief Financial Officer, Chief Strategy Officer, Treasurer and Secretary
Konstantinos Psaltis	84	Class II Director
Kyriacos Riris	73	Class II Director
Apostolos Kontoyannis	74	Class III Director
Konstantinos Fotiadis	72	Class III Director
Eleftherios Papatrifon	53	Class II Director
Simon Frank Peter Morecroft	64	Class II Director
Jane Sih Ho Chao	47	Class I Director
Maria Dede	50	Chief Accounting Officer
Margarita Veniou	44	Chief Corporate Development, Governance & Communications Officer
Maria Christina Tsemani	44	Chief People Officer

The term of our Class I directors expires in 2024, the term of our Class II directors expires in 2025, and the term of our Class III directors expires in 2023.

Mr. Simon Morecroft was elected and appointed as a Class II Director on May 18, 2022.

Mr. Eleftherios Papatrifon served as Chief Operating Officer of the Company until February 2023, when he was appointed as Class II Director and member of the Executive Committee on February 22, 2023 to serve until the next scheduled election for Class II directors.

Ms. Jane Chao was appointed as a Class I Director on February 22, 2023 to serve until the next scheduled election for Class I directors.

The business address of each officer and director is the address of our principal executive offices, which are located at Pendelis 16, 175 64 Palaio Faliro, Athens, Greece.

Biographical information with respect to each of our directors and executive officers is set forth below.

Semiramis Paliou has served as a Director of Diana Shipping Inc. since March 2015, and as the Company's Chief Executive Officer, Chairperson of the Executive Committee and member of the Sustainability Committee since March 2021. Ms. Paliou has been the Chief Executive Officer of Diana Shipping Services S.A. since March 2021. She also serves as a Director of OceanPal Inc. since April 2021 and as the Chairperson of the Board of Directors and of the Executive Committee of OceanPal Inc. since November 2021. Ms. Paliou is the Chairperson of the Hellenic Marine Environment Protection Association (HELMEPA), a position she has held since June 2020, while she joined its board of directors in March 2018. As of June 2021, she serves as Vice-Chairperson of INTERMEPA. She is also a member of the board of directors of the UK P&I Club since November 2020, member of the Union of Greek Shipowners since February 2022 and member of the Global Maritime Forum since April 2022. She is Vice-Chairperson of the Greek committee of Det Norske Veritas, a member of the Greek committee of Nippon Kaiji Kyokai and a member of the Greek committee of Bureau Veritas.

Ms. Paliou has over 20 years of experience in shipping operations, technical management and crewing. She began her career at Lloyd's Register of Shipping where she worked as a trainee ship surveyor from 1996 to 1998. She was then employed by Diana Shipping Agencies S.A. From 2007 to 2010 she was employed as a Director and President of Alpha Sigma Shipping Corp. From February 2010 to November 2015, she was the Head of the Operations, Technical and Crew department of Diana Shipping Services S.A. From November 2015 to October 2016, she served as Vice-President of the same company. From November 2016 to the end of July 2018, she served as Managing Director and Head of the Technical, Operations, Crew and Supply department of Unitized Ocean Transport Limited. From November 2018 to February 2020, she worked as Chief Operating Officer of Performance Shipping Inc. From October 2019 until February 2021, Ms. Paliou served as Deputy Chief Executive Officer of Diana Shipping Inc. She also served as member of the Executive Committee and the Chief Operating Officer of the Company from August 2018 until February 2021.

Ms. Paliou obtained her BSc in Mechanical Engineering from Imperial College, London and her MSc in Naval Architecture from University College, London. She completed courses in "Finance for Senior Executives", in "Authentic Leader Development" and a certificate program on "Sustainable Business Strategy" all at Harvard Business School. Ms. Paliou is also the daughter of Simeon Palios, the Company's Chairman.

Simeon P. Palios has served as the Chairman of the Board of Directors of Diana Shipping Inc. since February 2005 and a Director of the Company since March 1999. He served as the Company's Chief Executive Officer from February 2005 until February 2021. Mr. Palios also serves as the President of Diana Shipping Services S.A. which was formed in 1986. Mr. Palios has experience in the shipping industry since 1969 and expertise in technical and operational issues. He has served as an ensign in the Greek Navy for the inspection of passenger boats on behalf of Ministry of Merchant Marine and is qualified as a naval architect and marine engineer. Mr. Palios was the founder of Diana Shipping Agencies S.A., where he served as Managing Director until November 2004, having the overall responsibility for its activities. From January 13, 2010 until February 28, 2022, Mr. Palios also served as the Chairman of the Board of Directors of Performance Shipping Inc. and as Chief Executive Officer until October 2020.

Mr. Palios is a member of various leading classification societies worldwide and he is a member of the board of directors of the United Kingdom Freight Demurrage and Defense Association Limited. Since October 7, 2015, Mr. Palios has served as President of the Association “Friends of Biomedical Research Foundation, Academy of Athens”. He holds a bachelor's degree in Marine Engineering from Durham University.

Anastasios C. Margaronis has served as President and a Director of Diana Shipping Inc. since February 2005. He is also member of the Executive Committee of the Company. Mr. Margaronis is the Deputy President of Diana Shipping Services S.A., where he also serves as a Director and Secretary. Mr. Margaronis has experience in the shipping industry, including in ship finance and insurance, since 1980. Prior to February 21, 2005, Mr. Margaronis was employed by Diana Shipping Agencies S.A. in 1979 and performed on our behalf the services he now performs as President. He joined Diana Shipping Agencies S.A. in 1979 and has been responsible for overseeing our vessels’ insurance matters, including hull and machinery, protection and indemnity and war risks insurances. From January 2010 to February 2020, he served as Director and President of Performance Shipping Inc.

In addition, Mr. Margaronis is a member of the Greek National Committee of the American Bureau of Shipping. He has also been on the Members’ Committee of the Britannia Steam Ship Insurance Association Limited since October 2022. From October 2005 to October 2019, he was a member of the board of directors of the United Kingdom Mutual Steam Ship Assurance Association (Europe) Limited.

He holds a bachelor's degree in Economics from the University of Warwick and a master's of science degree in Maritime Law from the Wales Institute of Science and Technology.

Ioannis Zafirakis has served as a Director and Secretary of Diana Shipping Inc. since February 2005, as Chief Financial Officer since February 2020 (Interim Chief Financial Officer until February 2021), as Treasurer since February 2020 and as Chief Strategy Officer since January 2021. Mr. Zafirakis is also a member of the Executive Committee of the Company. During his career at Diana Shipping Inc., he held various executive positions such as Chief Operating Officer, Executive Vice-President and Vice-President. In addition, Mr. Zafirakis has served as a Director and Treasurer of Diana Shipping Services S.A. since January 2013 and Chief Financial Officer since February 2021. He has served as a Director and Secretary of OceanPal Inc. since April 2021 and as the President and Interim Chief Financial Officer of the company since November 2021. Mr. Zafirakis is also member of the Executive Committee of OceanPal Inc.

Prior to joining Diana Shipping, from June 1997 to February 2005, Mr. Zafirakis was employed by Diana Shipping Agencies S.A., where he held several positions in finance and accounting. From January 2010 to February 2020, he worked as Director and Secretary of Performance Shipping Inc., where he also held various executive positions such as Chief Operating Officer and Chief Strategy Officer.

Mr. Zafirakis is a member of the Business Advisory Committee of the Shipping Programs of ALBA Graduate Business School at The American College of Greece. He has obtained a certificate in “Blockchain Economics: An Introduction to Cryptocurrencies” from Panteion University of Social and Political Sciences in Greece. He holds a bachelor's degree in Business Studies from City University Business School in London and a master's degree in International Transport from the University of Wales in Cardiff.

Eleftherios (Lefteris) A. Papatrifon has served as a Director and a member of the Executive Committee of Diana Shipping Inc. since February 2023. Prior to this appointment, he served as Chief Operating Officer of the Company from March 2021 to February 2023. Mr. Papatrifon also serves as a Director of OceanPal Inc. and a member of its Executive Committee, positions he has held since November 2021. From November 2021 to January 2023, he served as Chief Executive Officer of OceanPal Inc.

Prior to joining Diana Shipping Inc., he was Chief Executive Officer, Co-Founder and Director of Quintana Shipping Ltd, a provider of dry bulk shipping services, from 2010 until the company’s successful sale of assets and consequent liquidation in 2017. Previously, for a period of approximately six years, he served as the Chief Financial Officer and Director of Excel Maritime Carriers Ltd. Prior to that, Mr. Papatrifon served for approximately 15 years in a number of corporate finance and asset management positions, both in the USA and in Greece.

Mr. Papatrifon holds undergraduate (BBA) and graduate (MBA) degrees from Baruch College (CUNY). He is also a member of the CFA Institute and a CFA charterholder.

Konstantinos Psaltis has served as a Director of Diana Shipping Inc. since March 2005, the Chairman of its Nominating Committee since May 2015 and a member of its Compensation Committee since May 2017. Mr. Psaltis serves also as President of Ormos Compania Naviera S.A., a company that specializes in operating and managing multipurpose container vessels, where from 1981 to 2006, he held the position of Managing Director. Prior to joining Ormos Compania Naviera S.A., Mr. Psaltis simultaneously served as a technical manager in the textile manufacturing industry and as a shareholder of shipping companies managed by M.J. Lemos. From 1961 to 1964, he served as ensign in the Royal Hellenic Navy.

He holds a degree in Mechanical Engineering from Technische Hochschule Reutlingen & Wuppertal and a bachelor's degree in Business Administration from Tubingen University in Germany.

Kyriacos Riris has served as a Director of Diana Shipping Inc. since March 2015 and a member of its Nominating Committee since May 2015. From May 2022, he is also the Chairman of the Audit Committee of the Company.

Commencing in 1998, Mr. Riris served in a series of positions in PricewaterhouseCoopers (PwC), Greece, including Senior Partner, Managing Partner of the Audit and the Advisory/Consulting Lines of Service. From 2009 to 2014, Mr. Riris served as Chairman of the Board of Directors of PricewaterhouseCoopers (PwC), Greece. Prior to its merger with PwC, Mr. Riris was employed at Grant Thornton, Greece, where in 1984 he became a Partner. From 1976 to 1982, Mr. Riris was employed at Arthur Young, Greece. Since November 2018, Mr. Riris has served as Chairman of Titan Cement International S.A., a Belgian corporation.

Mr. Riris holds a degree from Birmingham Polytechnic (presently Birmingham City University) and completed his professional qualifications with the Association of Certified Chartered Accountants (ACCA) in the UK in 1975, becoming a Fellow of the Association of Certified Accountants in 1985.

Apostolos Kontoyannis is a Director, the Chairperson of the Compensation Committee and a member of the Audit Committee of Diana Shipping Inc., positions he has held since March 2005. Since March 2021, Mr. Kontoyannis also serves as the Chairperson of the Sustainability Committee of the Company.

Mr. Kontoyannis has over 40 years of experience in shipping finance and currently serves as financial consultant to various shipping companies. He was employed by Chase Manhattan Bank N.A. in Frankfurt (Corporate Bank), London (Head of Shipping Finance South Western European Region) and Piraeus (Manager, Ship Finance Group) from 1975 to 1987.

Mr. Kontoyannis holds a bachelor's degree in Finance and Marketing and a master's degree in Business Administration and Finance from Boston University.

Konstantinos Fotiadis has served as a Director of Diana Shipping Inc. since 2017. Mr. Fotiadis served as an independent Director and as the Chairman of the Audit Committee of Performance Shipping Inc. from the completion of Performance Shipping Inc.'s private offering until February 2011. From 1990 until 1994, Mr. Fotiadis served as the President and Managing Director of Reckitt & Colman (Greece), part of the British multinational Reckitt & Colman plc, manufacturers of household, cosmetics and health care products. From 1981 until its acquisition in 1989 by Reckitt & Colman plc, Mr. Fotiadis was a General

Manager at Dr. Michalis S.A., a Greek company manufacturing and marketing cosmetics and health care products. From 1978 until 1981, Mr. Fotiadis held positions with Esso Chemicals Ltd. and Avrassoglou S.A. Mr. Fotiadis has also been active as a business consultant and real estate developer.

Mr. Fotiadis holds a degree in Economics from Technische Universitaet Berlin and in Business Administration from Freie Universitaet Berlin.

Simon Morecroft has served as a Director of Diana Shipping Inc. since May 2022. He also serves as a Director of Enarxis Ltd, a shipping consultancy company. Mr. Morecroft spent his career in the shipbroking industry as a Sale and Purchase broker. He joined Braemar Shipbrokers Ltd (now Braemar ACM Shipbroking) in 1983 becoming a director in 1986 and remained on the board until his retirement in August 2021. During this time Braemar grew from a boutique broking operation into one of the world's most successful fully integrated shipbroking companies with a listing on the London Stock Exchange.

Mr. Morecroft graduated from Oxford University in 1980 with a Masters in PPE.

Jane Chao has served as a Director of Diana Shipping Inc. since February 2023. She also serves as a director of Wah Kwong Shipping Holdings Limited, a position she has held since 2008. Ms. Chao is the managing director of Wah Kwong China Investment which includes residential and commercial properties as well as hospitality businesses in Shanghai and Wuxi. Ms. Chao has founded her own art consultancy company Galerie Huit and lifestyle gallery Maison Huit in 2009 and recently, the non-profit Chao-Lee Art Foundation in 2022.

Ms. Chao has also served as a Council Member for Changing Young Lives Foundation helping underprivileged children in Hong Kong and China from 2014 to 2020.

Maria Dede is the Chief Accounting Officer of Diana Shipping Inc., a position she has held since September 2005. Since Mach 2020, Ms. Dede also serves as Finance Manager of Diana Shipping Services S.A. In 2000, Ms. Dede joined the Athens branch of Arthur Andersen, which merged with Ernst and Young (Hellas) in 2002, where she served as an external auditor of shipping companies until 2005. From 1996 to 2000 Ms. Dede was employed by Venus Enterprises S.A., a ship-management company, where she held a number of positions primarily in accounting and supplies.

Ms. Dede holds a Bachelor's degree in Maritime Studies from the University of Piraeus, a Master's degree in Business Administration from the ALBA Graduate Business School and a Master's degree in Auditing and Accounting from the Greek Institute of Chartered Accountants.

Margarita Veniou has served as the Chief Corporate Development, Governance & Communications Officer of Diana Shipping Inc. since July 2022. From September 2004 until June 2022, she served in the Corporate Planning & Governance Department of Diana Shipping Inc., holding various positions as Associate, Officer and Manager. Ms. Veniou is also the Corporate Development, Governance & Communications Manager of Diana Shipping Services S.A., a position she has held since 2022, and from 2004 to 2022 she held various other positions at Diana Shipping Services S.A. In addition, since November 2021, Ms. Veniou has served as the Chief Corporate Development & Governance Officer of OceanPal Inc.. She is the General Manager of Steamship Shipbroking Enterprises Inc., a position she has held since April 2014.

From January 2010 to February 2020, Ms. Veniou also held the position of Corporate Planning & Governance Officer of Performance Shipping Inc.

Ms. Veniou holds a bachelor's degree in Maritime Studies and a master's degree in Maritime Economics & Policy from the University of Piraeus. She completed the Sustainability Leadership and Corporate Responsibility course at the London Business School and has obtained the Certification in Shipping

Derivatives from the Athens University of Economics and Business. Ms. Veniou is also a member of WISTA Hellas and ISO 14001 certified by Lloyd's Register.

Maria-Christina Tsemani has served as the Company's Chief People Officer since July 2022. Ms. Tsemani also serves as HR Manager of Diana Shipping Services S.A., a position she has held since October 2020.

Ms. Tsemani has over 18 years of experience in HR positions with multinational companies and institutional bodies. Before joining Diana Shipping, Ms. Tsemani was People Acquisition and Development Manager of Vodafone Greece. During her career in Vodafone from 2008 to 2020, she held various other positions, including Senior HR Business Partner and Organizational Effectiveness and Reward Manager. From 2004 to 2008, Ms. Tsemani worked as a Senior HR Consultant in PricewaterhouseCoopers (PwC). From 2001 to 2004, she served as Project Manager in the European Commission, based in Luxembourg.

Ms. Tsemani holds a bachelor's degree in Mathematical Sciences and a master's of science degree in Applied Statistics from the University of Oxford, UK.

B. Compensation

Aggregate executive compensation (including amounts paid to Steamship) for 2022 was $6.6 million. Since June 1, 2010, Steamship, a related party, as described in "Item 7. Major Shareholders and Related Party Transactions—B. Related Party Transactions" has provided to us brokerage services. Under the Brokerage Services Agreements in effect during 2022, fees for 2022 amounted to $3.3 million and we also paid commissions for vessel sales and purchases amounting to $1.2 million. We consider fees under these agreements to be part of our executive compensation due to the affiliation with Steamship.

Non-employee directors receive annual compensation in the amount of $52,000 plus reimbursement of out-of-pocket expenses. In addition, each director serving as chairman of a committee receives additional annual compensation of $26,000, plus reimbursement for out-of-pocket expenses with the exception of the chairman of the audit and compensation committee who receive annual compensation of $40,000. Each director serving as member of a committee receives additional annual compensation of $13,000, plus reimbursement for out-of-pocket expenses with the exception of the member of the audit committee who receives annual compensation of $26,000, plus reimbursement for out-of-pocket expenses. In 2022, fees and expenses of our non-executive directors amounted to $0.5 million.

We do not have a retirement plan for our officers or directors.

Equity Incentive Plan

In November 2014, our board of directors approved, and the Company adopted the 2014 Equity Incentive Plan for 5,000,000 common shares, amended on May 31, 2018 to increase the common shares to 13,000,000 and further amended on January 8, 2021, referred to as "the Plan", to increase the number of common shares available for the issuance of equity awards by 20 million shares. Currently, 13,444,759 shares remain reserved for issuance under the Plan.

Under the Plan, the Company's employees, officers and directors are entitled to receive options to acquire the Company's common stock. The Plan is administered by the Compensation Committee of the Company's Board of Directors or such other committee of the Board as may be designated by the Board. Under the terms of the Plan, the Company's Board of Directors is able to grant (a) non-qualified stock options, (b) stock appreciation rights, (c) restricted stock, (d) restricted stock units, (e) unrestricted stock, (f) other equity-based or equity-related awards, (g) dividend equivalents and (h) cash awards. No options or stock appreciation rights can be exercisable subsequent to the tenth anniversary of the date on which such Award was granted. Under the Plan, the Administrator may waive or modify the application of forfeiture of awards of restricted stock and performance shares in connection with cessation of service with the Company. No Awards may be granted under the Plan following the tenth anniversary of the date on which the Plan was adopted by the Board (i.e., January 8, 2031).

During 2022 and as of the date of this annual report, our board of directors awarded an aggregate amount of 1,470,000 shares and 1,750,000 shares, respectively of restricted common stock, of which 1,249,500 shares and 1,487,500 shares, respectively were awarded to senior management, and 220,500 shares and 262,500 shares, respectively, were awarded to non-employee directors. All restricted shares vest ratably over three years, The restricted shares are subject to forfeiture until they become vested. Unless they forfeit, grantees have the right to vote, to receive and retain all dividends paid and to exercise all other rights, powers and privileges of a holder of shares.

In 2022, compensation costs relating to the aggregate amount of restricted stock awards amounted to $9.3 million.

C. Board Practices

We have established an Audit Committee, comprised of two board members, which is responsible for reviewing our accounting controls, recommending to the board of directors the engagement of our independent auditors, and pre-approving audit and audit-related services and fees. Each member has been determined by our board of directors to be "independent" under the rules of the NYSE and the rules and regulations of the SEC. As directed by its written charter, the Audit Committee is responsible for appointing, and overseeing the work of the independent auditors, including reviewing and approving their engagement letter and all fees paid to our auditors, reviewing the adequacy and effectiveness of the Company's accounting and internal control procedures and reading and discussing with management and the independent auditors the annual audited financial statements. The members of the Audit Committee are Mr. Kyriacos Riris (chairman and financial expert) and Mr. Apostolos Kontoyannis (member and financial expert).

We have established a Compensation Committee comprised of two members, which, as directed by its written charter, is responsible for setting the compensation of executive officers of the Company, reviewing the Company's incentive and equity-based compensation plans, and reviewing and approving employment and severance agreements. The members of the Compensation Committee are Mr. Apostolos Kontoyannis (chairman) and Mr. Konstantinos Psaltis (member).

We have established a Nominating Committee comprised of two members, which, as directed by its written charter, is responsible for identifying, evaluating and making recommendations to the board of directors concerning individuals for selections as director nominees for the next annual meeting of stockholders or to otherwise fill board of director vacancies. The members of the Nominating Committee are Mr. Konstantinos Psaltis (chairman) and Mr. Kyriacos Riris (member).

We have established a Sustainability Committee as of February 18, 2021, comprised of Ms. Semiramis Paliou (member) and Mr. Apostolos Kontoyannis (Chairman) which, as directed by its written charter, is responsible for Identifying, evaluating and making recommendations to the Board with respect to significant policies and performance on matters relating to sustainability, including environmental risks and opportunities, social responsibility and impact and the health and safety of all of our stakeholders.

We have established an Executive Committee comprised of the four directors, Ms. Semiramis Paliou (Chairperson), Mr. Anastasios Margaronis (member), Mr. Ioannis Zafirakis (member), and Mr. Eleftherios Papatrifon (member). The Executive Committee has, to the extent permitted by law, the powers of the Board of Directors in the management of the business and affairs of the Company.

We also maintain directors' and officers' insurance, pursuant to which we provide insurance coverage against certain liabilities to which our directors and officers may be subject, including liability incurred under U.S. securities law. Our executive directors have employment agreements, which, if terminated without cause, entitle them to continue receiving their basic salary through the date of the agreement's expiration.

D. Employees

We crew our vessels primarily with Greek officers and Filipino officers and seamen and may also employ seamen from Poland, Romania and Ukraine. DSS and DWM are responsible for identifying the appropriate officers and seamen mainly through crewing agencies. The crewing agencies handle each seaman's training, travel and payroll. The management companies ensure that all our seamen have the qualifications and licenses required to comply with international regulations and shipping conventions. Additionally, our seafaring employees perform most commissioning work and supervise work at shipyards and drydock facilities. We typically man our vessels with more crew members than are required by the country of the vessel's flag in order to allow for the performance of routine maintenance duties.

The following table presents the number of shoreside personnel employed by DSS and the number of seafaring personnel employed by our vessel-owning subsidiaries as of December 31, 2022, 2021 and 2020.

	Year Ended December 31,		
	2022	2021	2020
Shoreside	113	111	107
Seafaring	907	708	811
Total	1,020	819	918

E. Share Ownership

With respect to the total amount of common shares, Series B Preferred Shares, Series C Preferred Shares and Series D Preferred Shares owned by our officers and directors, individually and as a group, see "Item 7. Major Shareholders and Related Party Transactions—A. Major Shareholders."

F. Disclosure of Registrant's Action to Recover Erroneously Awarded Compensation

Not applicable.

Item 7. Major Shareholders and Related Party Transactions

A. Major Shareholders

The following table sets forth information regarding ownership of our common stock of which we are aware as of the date of this annual report, for (i) beneficial owners of five percent or more of our common stock and (ii) our officers and directors, individually and as a group. All of our shareholders, including the shareholders listed in this table, are entitled to one vote for each share of common stock held.

Title of Class	Identity of Person or Group	Number of Shares Owned	Percent of Class *
Common Stock,	Semiramis Paliou (1)	16,883,779	15.9%
par value $0.01	Anastasios Margaronis (2)	8,530,996	8.0%
	Sea Trade Holdings Inc. (3)	15,886,087	14.9%
	All other officers and directors as a group (4)	8,069,027	7.6%

* Based on 106,437,232 common shares outstanding as of March 27, 2023.

(1) Mrs. Semiramis Paliou indirectly may be deemed to beneficially own 15.9% beneficially owned through Tuscany Shipping Corp., or Tuscany, and through 4 Sweet Dreams S.A., as the result of her ability to control the vote and disposition of such entities. As of December 31, 2020, 2021 and 2022, Mrs. Semiramis Paliou owned indirectly 17.8%, 18.9% and 16.0%, respectively, of our outstanding common stock. Additionally, Mrs. Paliou owns, through Tuscany, 10,675 shares of Series C Preferred Stock, par value $0.01 per share, and 400 shares of Series D Preferred Stock, par value $0.01 per share. The Series C Preferred Stock vote with our common shares and each share of the Series C Preferred Stock entitle the holder thereof to 1,000 votes on all matters submitted to a vote of the common stockholders of the Company. The Series D Preferred Stock vote with the common shares and each share of the Series D Preferred Stock entitles the holder thereof to up to 100,000 votes on all matters submitted to a vote of the common stockholders of the Company, subject to a maximum number of votes eligible to be cast by such holder derived from the Series D Preferred Shares and any other voting security of the Company held by the holder to be equal to the lesser of (i) 36% of the total number of votes entitled to vote on any matter put to shareholders of the Company and (ii) the sum of the holder's aggregate voting power derived from securities other than the Series D Preferred Stock and 15% of the total number of votes entitled to be cast on matters put to shareholders of the Company. Through her beneficial ownership of common shares and shares of Series C Preferred Stock and shares of Series D Preferred Stock, Paliou currently controls 36.0% of the vote of any matter submitted to the vote of the common shareholders.

(2) Mr. Anastasios Margaronis, our President and a member of our board of directors may be deemed to beneficially own Anamar Investments Inc. and Coronis Investments Inc. as the result of his ability to control the vote and disposition of such entities, for an aggregate of 8,530,996 shares.

(3) This information is derived from a Schedule 13G/A filed with the SEC on February 13, 2023, adjusting the percentage figure based on the common shares issued and outstanding as of the date of this report.

(4) Ms. Semiramis Paliou and Mr. Anastasios Margaronis are our only directors or officers that beneficially own 5% or more of our outstanding common stock. Mr. Ioannis Zafirakis may be deemed to beneficially own 2,006,975 shares, or 1.9% of our outstanding common stock, beneficially owned through Abra Marinvest Inc.; and Mr. Simeon Palios may be deemed to beneficially own 3,378,964 shares, or 3.2% of our outstanding common stock, beneficially owned through Taracan Investments S.A. and Limon Compania Financiera S.A. All other officers and directors each own less than 1% of our outstanding common stock.

As of March 23, 2023, we had 111 shareholders of record, 94 of which were located in the United States and held an aggregate of 94,001,022 of our common shares, representing 84.7% of our outstanding common shares. However, one of the U.S. shareholders of record is CEDE & CO., a nominee of The Depository Trust Company, which held 93,290,614 of our common shares as of that date. Accordingly, we believe that the shares held by CEDE & CO. include common shares beneficially owned by both holders in the United States and non-U.S. beneficial owners. We are not aware of any arrangements the operation of which may at a subsequent date result in our change of control.

Holders of the Series B Preferred Shares generally have no voting rights except (1) in respect of amendments to the Articles of Incorporation which would adversely alter the preferences, powers or rights of the Series B Preferred Shares or (2) in the event that we propose to issue any parity stock if the cumulative dividends payable on outstanding Preferred Stock are in arrears or any senior stock. However, if and whenever dividends payable on the Series B Preferred Shares are in arrears for six or more quarterly periods, whether or not consecutive, holders of Series B Preferred Shares (voting together as a class with all other classes or series of parity stock upon which like voting rights have been conferred and are exercisable) will be entitled to elect one additional director to serve on our board of directors until such time as all accumulated and unpaid dividends on the Series B Preferred Shares have been paid in full.

B. Related Party Transactions

OceanPal Inc., or OceanPal

Since November 2021, we own 500,000 of OceanPal's Series B Preferred Shares, 10,000 of OceanPal's Series C Convertible Preferred Shares. Series B Preferred Shares entitle the holder to 2,000 votes on all matters submitted to vote of the stockholders of the Company, provided however, that the total number of votes shall not exceed 34% of the total number of votes, provided further, that the total number of votes entitled to vote, including common stock or any other voting security, would not exceed 49% of the total number of votes.

Series C Preferred Shares do not have voting rights unless related to amendments of the Articles of Incorporation that adversely alter the preference, powers or rights of the Series C Preferred Shares or to issue Parity Stock or create or issue Senior Stock. Series C Preferred Shares have become convertible into common stock at the Company's option since the first anniversary of the issue date, at a conversion price equal to the lesser of $6.5 and the 10-trading day trailing VWAP of OceanPal's common shares, subject to adjustments. Additionally, Series C Preferred Shares have a cumulative preferred dividend accruing at the rate of 8% per annum, payable in cash or, at OceanPal's election, in kind and has a liquidation preference equal to the stated value of $10,000.

On September 20, 2022, we acquired 25,000 Series D Preferred Shares, par value $0.01 per share, as part of the consideration provided to us for the acquisition of *Baltimore*, which was sold to OceanPal, pursuant to a Memorandum of Agreement dated June 13, 2022, for $22.0 million. The shares are convertible into common stock at the Company's option, provided however that the Company would not beneficially own greater than 49% of the outstanding shares of common stock; they have no voting rights; they have a cumulative dividend accruing at the rate of 7% per annum payable in cash or, at OceanPal's election, in PIK shares; and they have a liquidation preference equal $1,000 per share. On December 15, 2022, we distributed the Series D Preferred Shares as non-cash dividend to our shareholders of record on November 28, 2022.

On February 8, 2023, we acquired 13,157 of OceanPal's Series D Preferred Shares as part of the consideration provided to us for the acquisition of *Melia*, which was sold to OceanPal, pursuant to a Memorandum of Agreement dated February 1, 2023, for $14.0 million. On February 22, 2023, we declared the distribution on May 16, 2023 of the 13,157 Series D Preferred Shares of OceanPal to our shareholders of record as of April 24, 2023. The distribution of the 13,157 Series D Preferred Shares, or common shares issuable upon conversion thereof is subject to there being an effective registration statement in place covering the distribution of the Series D Preferred Shares or common shares of OceanPal Inc.

Dividend income from the OceanPal preferred shares during 2022 amounted to $0.9 million.

OceanPal Inc. Non-Competition Agreement

We have entered into a non-competition agreement with OceanPal Inc. ("OceanPal"), dated November 2, 2021, pursuant to which we granted to OceanPal (i) a right of first refusal over any opportunity available to us (or any of our subsidiaries) to acquire or charter-in any dry bulk vessel that is larger than 70,000 deadweight tons and that was built prior to 2006 and (ii) a right of first refusal over any employment opportunity for a dry bulk vessel pursuant to a spot market charter presented or available to us with respect to any vessel owned or chartered in, directly or indirectly, by us. The non-competition agreement also prohibits us and OceanPal from soliciting each other's employees. The terms of the non-competition agreement provide that it will terminate on the date that (i) our ownership of OceanPal's equity securities represents less than 10% of total outstanding voting power and (ii) we and OceanPal share no common executive officers.

OceanPal Inc. Right of First Refusal

On November 2, 2021 we entered into a right of first refusal agreement with OceanPal Inc. pursuant to which we granted OceanPal Inc. a right of first refusal over six drybulk carriers owned by us, as of the date of the agreement, and identified in the agreement. Pursuant to this right of first refusal, OceanPal Inc. has the right, but not the obligation, to purchase one or all of the six identified vessels from us when and if we make a determination to sell one or more of the vessels at a price equal to the fair market value of each vessel at the time of sale, as determined by the average of two independent shipbroker valuations from brokers mutually agreeable to us and OceanPal Inc. If OceanPal Inc. does not exercise its right to purchase a vessel, we have the right to sell the vessel to any third party for a period of three months from the date notified OceanPal Inc. of our intent to sell the vessel. As of the date of the annual report, OceanPal has acquired two of the six vessels.

Series D Preferred Stock

In June 2021, we issued 400 shares of its newly-designated Series D Preferred Stock, par value $0.01 per share, to Tuscany Shipping Corp., an entity controlled by its Chief Executive Officer, Mrs. Semiramis Paliou, for an aggregate purchase price of $360,000. The Series D Preferred Stock has no dividend or liquidation rights. The Series D Preferred Stock will vote with the common shares of the Company, and each share of the Series D Preferred Stock shall entitle the holder thereof to up to 100,000 votes, on all matters submitted to a vote of the stockholders of the Company, subject to a maximum number of votes eligible to be cast by such holder derived from the Series D Preferred Shares and any other voting security of the Company held by the holder to be equal to the lesser of (i) 36% of the total number of votes entitled to vote on any matter put to shareholders of the Company and (ii) the sum of the holder's aggregate voting power derived from securities other than the Series D Preferred Stock and 15% of the total number of votes entitled to be cast on matters put to shareholders of the Company. The Series D Preferred Stock is transferable only to the holder's immediate family members and to affiliated persons. The issuance of shares of Series D Preferred Stock to Tuscany Shipping Corp. was approved by an independent committee of the Board of Directors of the Company, which received a fairness opinion from an independent third party that the transaction was fair from a financial point of view to the Company.

Series C Preferred Stock

In January 2019, we issued 10,675 shares of newly-designated Series C Preferred Stock, par value $0.01 per share, to an affiliate of our Chairman, Mr. Simeon Palios, for an aggregate purchase price of approximately $1.07 million. The Series C Preferred Stock vote with the common shares of the Company, and each share entitles the holder thereof to 1,000 votes on all matters submitted to a vote of the stockholders of the Company. The Series C Preferred Stock has no dividend or liquidation rights and cannot be transferred without the consent of the Company except to the holder's affiliates and immediate family members. The issuance of shares of Series C Preferred Stock was approved by an independent committee of the Board of Directors, which received a fairness opinion from an independent third party that the transaction was fair from a financial point of view to the Issuer. In September 2020, the Series C Preferred Shares were transferred from an affiliate of Mr. Simeon Palios to an affiliate of the Company's Chief Executive Officer, Mrs. Semiramis Paliou.

Steamship Shipbroking Enterprises Inc.

Steamship, an affiliated entity that was controlled by our Chairman of the Board, Mr. Simeon Palios until January 15, 2023 and our CEO Ms. Semiramis Paliou thereafter, provides to us brokerage services for an annual fee pursuant to a Brokerage Services Agreement. In 2022, brokerage fees amounted to $3.3 million and we paid an additional amount of $1.2 million for commissions on the sale and purchases of vessels. The terms of this relationship are currently governed by a Brokerage Services Agreement dated July 1, 2022 due to expire on June 30, 2023.

Altair Travel Agency S.A.

Altair Travel Agency S.A., or Altair, an affiliated entity that is controlled by our Chairman of the Board, Mr. Simeon Palios, provides us with travel related services. Travel related expenses in 2022, amounted to $2.6 million.

Diana Wilhelmsen Management Limited

Diana Wilhelmsen Management Limited, or DWM, is a 50/50 joint venture which provides management services to certain vessels in our fleet for a fixed monthly fee and commercial services charged as a percentage of the vessels' gross revenues. Management fees in 2022 amounted to $0.5 million, commissions on revenues amounted to $0.2 million and management fees capitalized amounted to $0.3 million.

C. Interests of Experts and Counsel

Not Applicable.

Item 8. Financial information

A. *Consolidated statements and other financial information*

See "Item 18. Financial Statements."

Legal Proceedings

We have not been involved in any legal proceedings which may have, or have had, a significant effect on our business, financial position, results of operations or liquidity, nor are we aware of any proceedings that are pending or threatened which may have a significant effect on our business, financial position, results of operations or liquidity. From time to time, we may be subject to legal proceedings and claims in the ordinary course of business, principally personal injury and property casualty claims. We expect that these claims would be covered by insurance, subject to customary deductibles. Those claims, even if lacking merit, could result in the expenditure of significant financial and managerial resources.

Dividend Policy

Our board of directors reviews and amends our dividend policy from time to time in light of our business plans and other factors. In order to position us to take advantage of market opportunities in a then-deteriorating market, our board of directors, beginning with the fourth quarter of 2008, suspended our common stock dividend. As a result of improving market conditions in 2021, our board of directors elected to declare quarterly dividends with respect to the third quarter of 2021 until the fourth quarter of 2022, two special noncash dividends and its intention to declare dividends of $0.15 per share for each quarter in 2023, as described in Item 4A. History and development of the Company.

The declaration and payment of dividends will always be subject to the discretion of our board of directors. The timing and amount of any dividends declared will depend on, among other things, our earnings, financial condition and cash requirements and availability, our ability to obtain debt and equity financing on acceptable terms as contemplated by our growth strategy and provisions of Marshall Islands law affecting the payment of dividends. In addition, other external factors, such as our lenders imposing restrictions on our ability to pay dividends under the terms of our loan facilities, may limit our ability to pay dividends. Further, under the terms of our loan agreements, we may not be permitted to pay dividends that would result in an event of default or if an event of default has occurred and is continuing.

Marshall Islands law generally prohibits the payment of dividends other than from surplus or when a company is insolvent or if the payment of the dividend would render the company insolvent. Also, our loan facilities and Bond prohibit the payment of dividends should an event of default arise.

We believe that, under current law, any dividends that we have paid and may pay in the future from earnings and profits constitute "qualified dividend income" and as such are generally subject to a 20% United States federal income tax rate with respect to non-corporate United States shareholders. Distributions in excess of our earnings and profits will be treated first as a non-taxable return of capital to the extent of a United States shareholder's tax basis in its common stock on a dollar-for-dollar basis and thereafter as capital gain. Please see the section of this annual report entitled "Taxation" under Item 10.E for additional information relating to the tax treatment of our dividend payments.

Cumulative dividends on our Series B Preferred Shares are payable on each January 15, April 15, July 15 and October 15, when, as and if declared by our board of directors or any authorized committee thereof out of legally available funds for such purpose. The dividend rate for our Series B Preferred Shares is 8.875% per annum per $25.00 of liquidation preference per share (equal to $2.21875 per annum per share) and is not subject to adjustment. Since February 14, 2019, we may redeem, in whole or from time to time in part, the Series B Preferred Shares at a redemption price of $25.00 per share plus an amount equal to all accumulated and unpaid dividends thereon to the date of redemption, whether or not declared.

Marshall Islands law provides that we may pay dividends on and redeem the Series B Preferred Shares only to the extent that assets are legally available for such purposes. Legally available assets generally are limited to our surplus, which essentially represents our retained earnings and the excess of consideration received by us for the sale of shares above the par value of the shares. In addition, under Marshall Islands law we may not pay dividends on or redeem Series B Preferred Shares if we are insolvent or would be rendered insolvent by the payment of such a dividend or the making of such redemption.

B. Significant Changes

There have been no significant changes since the date of the annual consolidated financial statements included in this annual report, other than those described in Note 15 “Subsequent events” of our annual consolidated financial statements.

Item 9. The Offer and Listing

A. Offer and Listing Details

The trading market for shares of our common stock is the NYSE, on which our shares trade under the symbol “DSX”.

Our Series B Preferred Stock has traded on the NYSE under the symbol “DSXPRB” since February 21, 2014.

B. Plan of distribution

Not Applicable.

C. Markets

Our common shares have traded on the NYSE since March 23, 2005 under the symbol “DSX,” our Series B Preferred Stock has traded on the NYSE under the symbol "DSXPRB" since February 21, 2014. Since February 1, 2022, our 8.375% Senior Unsecured Bond due 2026 commenced trading on the Oslo Stock Exchange, under the symbol "DIASH02."

D. Selling Shareholders

Not Applicable.

E. Dilution

Not Applicable.

F. Expenses of the Issue

Not Applicable.

Item 10. Additional Information

A. Share capital

Not Applicable.

B. Memorandum and articles of association

Our current amended and restated articles of incorporation have been filed as exhibit 1 to our Form 6-K filed with the SEC on May 29, 2008 with file number 001-32458, and our current amended and restated bylaws have been filed as exhibit 3.2 to our Form F-3 filed with the SEC on May 6, 2009 with file number 333-159016. The information contained in these exhibits is incorporated by reference herein.

Information regarding the rights, preferences and restrictions attaching to each class of our shares is described in the section entitled “Description of Capital Stock” in the accompanying prospectus to our effective Registration Statement on Form F-3 filed with the SEC on June 6, 2018 with file number 333-225964, including any subsequent amendments or reports filed for the purpose of updating such description, provided that since the date of that Registration Statement, (i) the number of our outstanding shares of common stock has increased to 106,437,232 as of March 27, 2023, and (ii) the Stockholder Rights Plan described therein has been replaced by a Stockholders Rights Agreement dated as of January 15, 2016, as described below under “Stockholders Rights Agreement ,” (iii) in January 2019, we issued 10,675 shares of newly-designated Series C Preferred Stock, par value $0.01 per share and (iv) in June 2021, we issued 400 shares of its newly-designated Series D Preferred Stock, par value $0.01 per share. For additional information about our Series B Preferred Shares, please see the section entitled "Description of Registrant's Securities to be Registered" of our registration statement on Form 8-A filed with the SEC on February 13, 2014 and incorporated by reference herein. For additional information about our Series C Preferred Stock and Series D Preferred Stock, please see the Form 6-K filed with the SEC on February 6, 2019 and June 23, 2021, respectively, each incorporated by reference herein.

Stockholders Rights Agreement

On January 15, 2016, we entered into a Stockholders Rights Agreement with Computershare Trust Company, N.A., as Rights Agent, to replace the Amended and Restated Stockholders Rights Agreement, dated October 7, 2008.

Under the Stockholders Rights Agreement, we declared a dividend payable of one preferred stock purchase right, or Right, for each share of common stock outstanding at the close of business on January 26, 2016. Each Right entitles the registered holder to purchase from us one one-thousandth of a share of Series A participating preferred stock, par value $0.01 per share, at an exercise price of $40.00 per share. The Rights will separate from the common stock and become exercisable only if a person or group acquires beneficial ownership of 18.5% or more of our common stock (including through entry into certain derivative positions) in a transaction not approved by our Board of Directors. In that situation, each holder of a Right (other than the acquiring person, whose Rights will become void and will not be exercisable) will have the right to purchase, upon payment of the exercise price, a number of shares of our common stock having a then-current market value equal to twice the exercise price. In addition, if the Company is acquired in a merger or other business combination after an acquiring person acquires 18.5% or more of our common stock, each holder of the Right will thereafter have the right to purchase, upon payment of the exercise price, a number of shares of common stock of the acquiring person having a then-current market value equal to twice the exercise price. The acquiring person will not be entitled to exercise these Rights. Under the Stockholders Rights Agreement's terms, it will expire on January 14, 2026. A copy of the Stockholders Rights Agreement and a summary of its terms are contained in the Form 8-A12B filed with the SEC on January 15, 2016, with file number 001-32458.

C. Material contracts

Attached as exhibits to this annual report are the contracts we consider to be both material and not entered into in the ordinary course of business, which (i) are to be performed in whole or in part on or after the filing date of this annual report or (ii) were entered into not more than two years before the filing date of this annual report. Other than these agreements, we have no material contracts, other than contracts entered into in the ordinary course of business, to which the Company or any member of the group is a party. A description of these is included in our description of our agreements generally: we refer you to Item 5.B for a discussion of our loan facilities.

D. Exchange Controls

Under Marshall Islands, Panamanian, Cypriot and Greek law, there are currently no restrictions on the export or import of capital, including foreign exchange controls or restrictions that affect the remittance of dividends, interest or other payments to non-resident holders of our securities.

E. Taxation

In the opinion of Seward & Kissel LLP, the following is a discussion of the material Marshall Islands and U.S. federal income tax considerations of the ownership and disposition by a U.S. Holder and a Non-U.S. Holder, each as defined below, of the common stock. This discussion does not purport to deal with the tax consequences of owning common stock to all categories of investors, some of which, such as dealers in securities or commodities, financial institutions, insurance companies, tax-exempt organizations, U.S. expatriates, persons liable for the alternative minimum tax, persons who hold common stock as part of a straddle, hedge, conversion transaction or integrated investment, U.S. Holders whose functional currency is not the United States dollar, persons required to recognize income for U.S. federal income tax purposes no later than when such income is reported on an “applicable financial statement,” investors subject to the “base erosion and anti-avoidance” tax and investors that own, actually or under applicable constructive ownership rules, 10% or more of the Company’s common stock, may be subject to special rules. This discussion deals only with holders who hold the common stock as a capital asset. You are encouraged to consult your own tax advisors concerning the overall tax consequences arising in your own particular situation under U.S. federal, state, local or foreign law of the ownership of common stock.

Marshall Islands Tax Considerations

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

United States Federal Income Taxation

The following discussion is based upon the provisions of the U.S. Internal Revenue Code of 1986, as amended (the “Code”), existing and proposed U.S. Treasury Department regulations, (the “Treasury Regulations”), administrative rulings, pronouncements and judicial decisions, all as of the date of this Annual Report. This discussion assumes that we do not have an office or other fixed place of business in the United States. Unless the context otherwise requires, the reference to Company below shall be meant to refer to both the Company and its vessel-owning and operating subsidiaries.

Taxation of the Company's Shipping Income

In General

The Company anticipates that it will derive substantially all of its gross income from the use and operation of vessels in international commerce and that this income will principally consist of freights from the transportation of cargoes, hire or lease from time or voyage charters and the performance of services directly related thereto, which the Company refers to as "Shipping Income."

Shipping Income that is attributable to transportation that begins or ends, but that does not both begin and end, in the United States will be considered to be 50% derived from sources within the United States. Shipping Income attributable to transportation that both begins and ends in the United States will be considered to be 100% derived from sources within the United States. The Company is not permitted by law to engage in transportation that gives rise to 100% U.S. source Shipping Income. Shipping Income attributable to transportation exclusively between non-U.S. ports will be considered to be 100% derived from sources outside the United States. Shipping Income derived from sources outside the United States will not be subject to U.S. federal income tax.

Based upon the Company's anticipated shipping operations, the Company's vessels will operate in various parts of the world, including to or from U.S. ports. Unless exempt from U.S. federal income taxation under Section 883 of the Code, the Company will be subject to U.S. federal income taxation, in the manner discussed below, to the extent its Shipping Income is considered derived from sources within the United States.

In the year ended December 31, 2022, approximately 3.0% of the Company's shipping income was attributable to the transportation of cargoes either to or from a U.S. port. Accordingly, approximately 1.5% of the Company's shipping income would be treated as derived from U.S. sources for the year ended December 31, 2022. In the absence of exemption from U.S. federal income tax under Section 883 of the Code, the Company would have been subject to a 4% tax on its gross U.S. source Shipping Income, equal to $0.2 for the year ended December 31, 2022.

Application of Exemption under Section 883 of the Code

Under the relevant provisions of Section 883 of the Code and the final Treasury Regulations promulgated thereunder, a foreign corporation will be exempt from U.S. federal income taxation on its U.S. source Shipping Income if:

(1) It is organized in a qualified foreign country which, as defined, is one that grants an equivalent exemption from tax to corporations organized in the United States in respect of the Shipping Income for which exemption is being claimed under Section 883 of the Code, or the "Country of Organization Requirement"; and

(2) It can satisfy any one of the following two stock ownership requirements:

- more than 50% of its stock, in terms of value, is beneficially owned by qualified shareholders which, as defined, includes individuals who are residents of a qualified foreign country, or the "50% Ownership Test"; or
- its stock is "primarily and regularly" traded on an established securities market located in the United States or a qualified foreign country, or the "Publicly Traded Test".

The U.S. Treasury Department has recognized the Marshall Islands, Panama and Cyprus the countries of incorporation of each of the Company and its subsidiaries that earns Shipping Income, as a qualified foreign country. Accordingly, the Company and each of the subsidiaries satisfy the Country of Organization Requirement.

For the 2022 taxable year, the Company believes that it is unlikely that the 50% Ownership Test was satisfied. Therefore, the eligibility of the Company and each subsidiary to qualify for exemption under Section 883 of the Code is wholly dependent upon the Company's ability to satisfy the Publicly Traded Test.

Under the Treasury Regulations, stock of a foreign corporation is considered "primarily traded" on an established securities market in a country if the number of shares of each class of stock that is traded during the taxable year on all established securities markets in that country exceeds the number of shares in each such class that is traded during that year on established securities markets in any other single country. The Company's common stock was "primarily traded" on the NYSE during the 2022 taxable year.

Under the Treasury Regulations, the Company's common stock will be considered to be "regularly traded" on the NYSE if: (1) more than 50% of its common stock, by voting power and total value, is listed on the NYSE, referred to as the "Listing Threshold", (2) its common stock is traded on the NYSE, other than in minimal quantities, on at least 60 days during the taxable year (or one-sixth of the days during a short taxable year), which is referred to as the "Trading Frequency Test"; and (3) the aggregate number of shares of its common stock traded on the NYSE during the taxable year is at least 10% of the average number of shares of its common stock outstanding during such taxable year (as appropriately adjusted in the case of a short taxable year), which is referred to as the "Trading Volume Test". The Trading Frequency Test and Trading Volume Test are deemed to be satisfied under the Treasury Regulations if the Company's common stock is regularly quoted by dealers making a market in the common stock.

The Company believes that its common stock has satisfied the Listing Threshold, as well as the Trading Frequency Test and Trading Volume Tests, during the 2022 taxable year.

Notwithstanding the foregoing, the Treasury Regulations provide, in pertinent part, that stock of a foreign corporation will not be considered to be "regularly traded" on an established securities market for any taxable year during which 50% or more of such stock is owned, actually or constructively under specified stock attribution rules, on more than half the days during the taxable year by persons, or "5% Shareholders", who each own 5% or more of the value of such stock, or the "5% Override Rule." For purposes of determining the persons who are 5% Shareholders, a foreign corporation may rely on Schedules 13D and 13G filings with the SEC.

Based on Schedules 13D and 13G filings, during the 2022 taxable year, less than 50% of the Company's common stock was owned by 5% Shareholders. Therefore, the Company believes that it is not subject to the 5% Override Rule and thus has satisfied the Publicly Traded Test for the 2022 taxable year. However, there can be no assurance that the Company will continue to satisfy the Publicly Traded Test in future taxable years. For example, the Company could be subject to the 5% Override Rule if another 5% Shareholder in combination with the Company's existing 5% Shareholders were to own 50% or more of the Company's common stock. In such a case, the Company would be subject to the 5% Override Rule unless it could establish that, among the shares of the common stock owned by the 5% Shareholders, sufficient shares are owned by qualified shareholders, for purposes of Section 883 of the Code, to preclude non-qualified shareholders from owning 50% or more of the Company's common stock for more than half the number of days during the taxable year. The requirements of establishing this exception to the 5% Override Rule are onerous and there is no assurance the Company will be able to satisfy them.

Based on the foregoing, the Company believes that it satisfied the Publicly Traded Test and therefore believes that it was exempt from U.S. federal income tax under Section 883 of the Code, during the 2022 taxable year, and intends to take this position on its 2022 U.S. federal income tax returns.

Taxation in Absence of Exemption Under Section 883 of the Code

To the extent the benefits of Section 883 of the Code are unavailable with respect to any item of U.S. source Shipping Income, the Company and each of its subsidiaries would be subject to a 4% tax imposed on such income by Section 887 of the Code on a gross basis, without the benefit of deductions, which is referred to as the "4% Gross Basis Tax Regime". Since under the sourcing rules described above, no more than 50% of the Company's Shipping Income would be treated as being derived from U.S. sources, the maximum effective rate of U.S. federal income tax on the Company's Shipping Income would never exceed 2% under the 4% Gross Basis Tax Regime.

Based on its U.S. source Shipping Income for the 2022 taxable year and in the absence of exemption under Section 883 of the Code, the Company would be subject to $0.2 of U.S. federal income tax under the 4% Gross Basis Tax Regime.

The 4% Gross Basis Tax Regime would not apply to U.S. source Shipping Income to the extent considered to be "effectively connected" with the conduct of a U.S. trade or business. In the absence of exemption under Section 883 of the Code, such "effectively connected" U.S. source Shipping Income, net of applicable deductions, would be subject to U.S. federal income tax currently imposed at a rate of 21%. In addition, earnings "effectively connected" with the conduct of such U.S. trade or business, as determined after allowance for certain adjustments, and certain interest paid or deemed paid attributable to the conduct of the U.S. trade or business may be subject to U.S. federal branch profits tax imposed at a rate of 30%. The Company's U.S. source Shipping Income would be considered "effectively connected" with the conduct of a U.S. trade or business only if: (1) the Company has, or is considered to have, a fixed place or business in the United States involved in the earning of Shipping Income; and (2) substantially all of the Company's U.S. source Shipping Income is attributable to regularly scheduled transportation, such as the operation of a vessel that followed a published schedule with repeated sailings at regular intervals between the same points for voyages that begin or end in the United States, or, in the case of income from the chartering of a vessel, is attributable to a fixed place of business in the United States. We do not intend to have, or permit circumstances that would result in having a vessel operating to the United States on a regularly scheduled basis. Based on the foregoing and on the expected mode of our shipping operations and other activities, we believe that none of our U.S. source Shipping Income will be effectively connected with the conduct of a U.S. trade or business.

Gain on Sale of Vessels

Regardless of whether we qualify for exemption under Section 883 of the Code, we will not be subject to U.S. federal income taxation with respect to gain realized on a sale of a vessel, provided the sale is considered to occur outside of the United States under U.S. federal income tax principles. In general, a sale of a vessel will be considered to occur outside of the United States for this purpose if title to the vessel, and risk of loss with respect to the vessel, pass to the buyer outside of the United States. It is expected that any sale of a vessel by us will be considered to occur outside of the United States.

United States Taxation of U.S. Holders

The following is a discussion of the material U.S. federal income tax considerations relevant to an investment decision by a U.S. Holder, as defined below, with respect to our common stock. This discussion does not purport to deal with the tax consequences of owning our common stock to all categories of investors, some of which may be subject to special rules. You are encouraged to consult your own tax advisors concerning the overall tax consequences arising in your own particular situation under U.S. federal, state, local or foreign law of the ownership of our common stock.

As used herein, the term "U.S. Holder" means a beneficial owner of our common stock that (i) is a U.S. citizen or resident, a U.S. corporation or other U.S. entity taxable as a corporation, an estate, the income of which is subject to U.S. federal income taxation regardless of its source, or a trust if (a) a court within the United States is able to exercise primary jurisdiction over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust or (b) it has an election in place to be treated as a United States person; and (ii) owns the common stock as a capital asset, generally, for investment purposes.

If a partnership holds our common stock, the tax treatment of a partner will generally depend upon the status of the partner and upon the activities of the partnership. If you are a partner in a partnership holding our common stock, you are encouraged to consult your own tax advisor on this issue.

Distributions

Subject to the discussion of passive foreign investment companies below, any distributions made by the Company with respect to its common stock to a U.S. Holder will generally constitute dividends, which may be taxable as ordinary income or "qualified dividend income" as described in more detail below, to the extent of the Company's current or accumulated earnings and profits, as determined under U.S. federal income tax principles. Distributions in excess of the Company's earnings and profits will be treated first as a non-taxable return of capital to the extent of the U.S. Holder's tax basis in his common stock on a dollar-for-dollar basis and thereafter as capital gain. Because the Company is not a U.S. corporation, U.S. Holders that are corporations will generally not be entitled to claim a dividends-received deduction with respect to any distributions they receive from the Company.

Dividends paid to a U.S. Holder which is an individual, trust, or estate, referred to herein as a "U.S. Non-Corporate Holder," will generally be treated as "qualified dividend income" that is taxable to Holders at preferential U.S. federal income tax rates, provided that (1) the common stock is readily tradable on an established securities market in the United States (such as the NYSE on which the common stock is listed); (2) the Company is not a passive foreign investment company for the taxable year during which the dividend is paid or the immediately preceding taxable year (which the Company does not believe it is, has been or will be); (3) the U.S. Non-Corporate Holder has owned the common stock for more than 60 days in the 121-day period beginning 60 days before the date on which the common stock becomes ex-dividend; and (4) the U.S. Non-Corporate Holder is not under an obligation (whether pursuant to a short sale or otherwise) to make payments with respect to positions in substantially similar or related property. There is no assurance that any dividends paid on our common stock will be eligible for these preferential rates in the hands of a U.S. Non-Corporate Holder. Any dividends paid by the Company which are not eligible for these preferential rates will be taxed as ordinary income to a U.S. Non-Corporate Holder. Special rules may apply to any "extraordinary dividend," generally, a dividend paid by us in an amount which is equal to or in excess of ten percent of a U.S. Holder's adjusted tax basis, or fair market value in certain circumstances, in a share of our common stock. If we pay an "extraordinary dividend" on our common stock that is treated as "qualified dividend income," then any loss derived by a U.S. Individual Holder from the sale or exchange of such common stock will be treated as long-term capital loss to the extent of such dividend.

Sale, Exchange or other Disposition of Common Stock

Subject to the discussion of the PFIC rules below, a U.S. Holder generally will recognize taxable gain or loss upon a sale, exchange or other disposition of the Company's common stock in an amount equal to the difference between the amount realized by the U.S. Holder from such sale, exchange or other disposition and the U.S. Holder's tax basis in such stock. Such gain or loss will be treated as long-term capital gain or loss if the U.S. Holder's holding period in the common stock is greater than one year at the time of the sale, exchange or other disposition. Long-term capital gain of a U.S. Non-Corporate Holder is taxable at preferential U.S. Federal income tax rates. A U.S. Holder's ability to deduct capital losses is subject to certain limitations.

PFIC Status and Significant Tax Consequences

Special U.S. federal income tax rules apply to a U.S. Holder that holds stock in a foreign corporation classified as a passive foreign investment company, or a "PFIC", for U.S. federal income tax purposes. In general, the Company will be treated as a PFIC with respect to a U.S. Holder if, for any taxable year in which such Holder held the Company's common stock, either:

- at least 75% of the Company's gross income for such taxable year consists of passive income (e.g., dividends, interest, capital gains and rents derived other than in the active conduct of a rental business), or

- at least 50% of the average value of the assets held by the corporation during such taxable year produce, or are held for the production of, such passive income.

For purposes of determining whether the Company is a PFIC, the Company will be treated as earning and owning its proportionate share of the income and assets, respectively, of any of its subsidiary corporations in which it owns at least 25% of the value of the subsidiary's stock. Income earned, or deemed earned, by the Company in connection with the performance of services would not constitute passive income. By contrast, rental income would generally constitute passive income unless the Company is treated under specific rules as deriving its rental income in the active conduct of a trade or business.

Based on the Company's current operations and future projections, the Company does not believe that it is, nor does it expect to become, a PFIC with respect to any taxable year. Although there is no legal authority directly on point, the Company's belief is based principally on the position that, for purposes of determining whether the Company is a PFIC, the gross income the Company derives or is deemed to derive from the time chartering and voyage chartering activities of its wholly-owned subsidiaries should constitute services income, rather than rental income. Correspondingly, the Company believes that such income does not constitute passive income, and the assets that the Company or its wholly-owned subsidiaries own and operate in connection with the production of such income, in particular, the vessels, do not constitute assets that produce or are held for the production of passive income for purposes of determining whether the Company is a PFIC. The Company believes there is substantial legal authority supporting its position consisting of case law and Internal Revenue Service, or the "IRS", pronouncements concerning the characterization of income derived from time charters and voyage charters as services income for other tax purposes. However, there is also authority which characterizes time charter income as rental income rather than services income for other tax purposes. It should be noted that in the absence of any legal authority specifically relating to the statutory provisions governing PFICs, the IRS or a court could disagree with this position. In addition, although the Company intends to conduct its affairs in a manner to avoid being classified as a PFIC with respect to any taxable year, there can be no assurance that the nature of its operations will not change in the future.

As discussed more fully below, if the Company were to be treated as a PFIC for any taxable year, a U.S. Holder would be subject to different U.S. federal income taxation rules depending on whether the U.S. Holder makes an election to treat the Company as a "Qualified Electing Fund," which election is referred to as a "QEF Election." As discussed below, as an alternative to making a QEF Election, a U.S. Holder should be able to make a "mark-to-market" election with respect to the common stock, which election is referred to as a "Mark-to-Market Election". If the Company were to be treated as a PFIC, a U.S. Holder would be required to file with respect to taxable years ending on or after December 31, 2013 IRS Form 8621 to report certain information regarding the Company.

Taxation of U.S. Holders Making a Timely QEF Election

If a U.S. Holder makes a timely QEF Election, which U.S. Holder is referred to as an "Electing Holder", the Electing Holder must report each year for U.S. federal income tax purposes his pro rata share of the

Company's ordinary earnings and net capital gain, if any, for the Company's taxable year that ends with or within the taxable year of the Electing Holder, regardless of whether or not distributions were received by the Electing Holder from the Company. The Electing Holder's adjusted tax basis in the common stock will be increased to reflect amounts included in the Electing Holder's income. Distributions received by an Electing Holder that had been previously taxed will result in a corresponding reduction in the adjusted tax basis in the common stock and will not be taxed again once distributed. An Electing Holder would generally recognize capital gain or loss on the sale, exchange or other disposition of the common stock.

Taxation of U.S. Holders Making a Mark-to-Market Election

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

Taxation of U.S. Holders Not Making a Timely QEF Election or Mark-to-Market Election

Finally, if the Company were to be treated as a PFIC for any taxable year, a U.S. Holder who does not make either a QEF Election or a Mark-to-Market Election for that year, whom is referred to as a "Non-Electing Holder", would be subject to special U.S. federal income tax rules with respect to (1) any excess distribution (i.e., the portion of any distributions received by the Non-Electing Holder on the common stock in a taxable year in excess of 125% of the average annual distributions received by the Non-Electing Holder in the three (3) preceding taxable years, or, if shorter, the Non-Electing Holder's holding period for the common stock), and (2) any gain realized on the sale, exchange or other disposition of the common stock. Under these special rules:

- the excess distribution or gain would be allocated ratably over the Non-Electing Holder's aggregate holding period for the common stock;
- the amount allocated to the current taxable year and any taxable years before the Company became a PFIC would be taxed as ordinary income; and
- the amount allocated to each of the other taxable years would be subject to tax at the highest rate of tax in effect for the applicable class of taxpayer for that year, and an interest charge for the deemed tax deferral benefit would be imposed with respect to the resulting tax attributable to each such other taxable year.

These penalties would not apply to a pension or profit sharing trust or other tax-exempt organization that did not borrow funds or otherwise utilize leverage in connection with its acquisition of the common stock. If a Non-Electing Holder who is an individual dies while owning the common stock, such Holder's successor generally would not receive a step-up in tax basis with respect to such stock.

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

A beneficial owner of our common stock that is not a U.S. Holder (other than a partnership) is referred to herein as a "Non-U.S. Holder."

Dividends on Common Stock

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

Sale, Exchange or Other Disposition of Common Stock

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

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

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

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

Backup Withholding and Information Reporting

In general, dividend payments, or other taxable distributions, made within the United States to a holder will be subject to U.S. federal information reporting requirements. Such payments will also be subject to U.S. federal "backup withholding" if paid to a non-corporate U.S. holder who:

- fails to provide an accurate taxpayer identification number;
- is notified by the IRS that he has failed to report all interest or dividends required to be shown on his U.S. federal income tax returns; or
- in certain circumstances, fails to comply with applicable certification requirements.

Non-U.S. Holders may be required to establish their exemption from information reporting and backup withholding by certifying their status on an applicable IRS Form W-8.

If a holder sells his common stock to or through a U.S. office of a broker, the payment of the proceeds is subject to both backup withholding and information reporting unless the holder establishes an exemption. If a holder sells his common stock through a non-U.S. office of a non-U.S. broker and the sales proceeds are paid to the holder outside the United States, then information reporting and backup withholding generally will not apply to that payment. However, information reporting requirements, but not backup withholding, will apply to a payment of sales proceeds, including a payment made to a holder outside the United States, if the holder sells his common stock through a non-U.S. office of a broker that is a U.S. person or has some other contacts with the United States.

Backup withholding is not an additional tax. Rather, a taxpayer generally may obtain a refund of any amounts withheld under backup withholding rules that exceed the taxpayer's U.S. federal income tax liability by filing a refund claim with the IRS.

U.S. Holders who are individuals (and to the extent specified in applicable Treasury Regulations, certain U.S. entities) who hold "specified foreign financial assets" (as defined in Section 6038D of the Code) are required to file IRS Form 8938 with information relating to the asset for each taxable year in which the aggregate value of all such assets exceeds $75,000 at any time during the taxable year or $50,000 on the last day of the taxable year (or such higher dollar amount as prescribed by applicable Treasury Regulations). Specified foreign financial assets would include, among other assets, our common stock, unless the common stock is held through an account maintained with a U.S. financial institution. Substantial penalties apply to any failure to timely file IRS Form 8938, unless the failure is shown to be due to reasonable cause and not due to willful neglect. Additionally, in the event a U.S. Holder who is an individual (and to the extent specified in applicable Treasury regulations, a U.S. entity) that is required to file IRS Form 8938 does not file such form, the statute of limitations on the assessment and collection of U.S. federal income taxes of such holder for the related tax year may not close until three (3) years after the date that the required information is filed.

F. Dividends and paying agents

Not Applicable.

G. Statement by experts

Not Applicable.

H. Documents on display

We file reports and other information with the SEC. These materials, including this annual report and the accompanying exhibits are available from the SEC's website http://www.sec.gov.

I. Subsidiary information

Not Applicable.

J. Annual Report to Security Holders

We intend to submit any annual report provided to security holders in electronic format as an exhibit to a current report on Form 6-K.

Item 11. Quantitative and Qualitative Disclosures about Market Risk

Interest Rates

We are exposed to market risks associated with changes in interest rates relating to our loan facilities, according to which we pay interest at LIBOR plus a margin; and as such increases in interest rates could affect our results of operations. An increase of 1% in the interest rates of our loan facilities bearing a variable interest rate during 2022, could have increased our interest cost from $22.0 million to $25.0 million. As LIBOR will be discontinued on June 30, 2023 and will be replaced by the Secured Overnight Financing

Rate, or “SOFR”, or any other alternative rate, we may face volatility in applicable interest rates among our financing agreements and potential increased borrowing costs, which could in turn have an adverse effect on our profitability, earnings and cash flow.

We will continue to have debt outstanding, which could impact our results of operations and financial condition. We expect to manage any exposure in interest rates through our regular operating and financing activities and, when deemed appropriate, through the use of derivative financial instruments.

As of December 31, 2022, 2021 and 2020 and as of the date of this annual report, we did not and have not designated any financial instruments as accounting hedging instruments.

Currency and Exchange Rates

We generate all of our revenues in U.S. dollars but currently incur less than half of our operating expenses (around 32% in 2022 and around 33% in 2021) and about half of our general and administrative expenses (around 45% in 2022 and around 50% in 2021) in currencies other than the U.S. dollar, primarily the Euro. For accounting purposes, including throughout this annual report, expenses incurred in Euros are converted into U.S. dollars at the exchange rate prevailing on the date of each transaction. Because a significant portion of our expenses are incurred in currencies other than the U.S. dollar, our expenses may from time to time increase relative to our revenues as a result of fluctuations in exchange rates, particularly between the U.S. dollar and the Euro, which could affect our results of operations in future periods. Currently, we do not consider the risk from exchange rate fluctuations to be material for our results of operations, as during 2022 and 2021, these non-US dollar expenses represented 12% and 26%, respectively of our revenues and therefore, we are not engaged in extensive derivative instruments to hedge a considerable part of those expenses.

While we historically have not mitigated the risk associated with exchange rate fluctuations through the use of financial derivatives, we may determine to employ such instruments from time to time in the future in order to minimize this risk. Our use of financial derivatives would involve certain risks, including the risk that losses on a hedged position could exceed the nominal amount invested in the instrument and the risk that the counterparty to the derivative transaction may be unable or unwilling to satisfy its contractual obligations, which could have an adverse effect on our results.

Item 12. Description of Securities Other than Equity Securities

Not Applicable.

PART II

Item 13. Defaults, Dividend Arrearages and Delinquencies

None.

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

None.

Item 15. Controls and Procedures

a) Disclosure Controls and Procedures

Management, including our Chief Executive Officer and Chief Financial Officer, has conducted an evaluation of the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of the end of the period covered by this annual report. Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that our disclosure controls and procedures are effective to ensure that information required to be disclosed by the Company in the reports that it files or submits to the SEC under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms.

b) Management’s Annual Report on Internal Control over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Rule 13a-15(f) of the Exchange Act. The Company’s internal control over financial reporting is a process designed under the supervision of the Company’s Chief Executive Officer and Chief Financial Officer to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the Company’s financial statements for external reporting purposes in accordance with U.S. GAAP. A company’s internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit the preparation of financial statements in accordance with U.S. GAAP, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Management has conducted an assessment of the effectiveness of the Company’s internal control over financial reporting based on the framework established in Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 Framework). Based on this assessment, management has determined that the Company’s internal control over financial reporting as of December 31, 2022 is effective.

The registered public accounting firm that audited the financial statements included in this annual report containing the disclosure required by this Item 15 has issued an attestation report on management's assessment of our internal control over financial reporting.

c) Attestation Report of Independent Registered Public Accounting Firm

The attestation report on the Company's internal control over financial reporting issued by the registered public accounting firm that audited the Company's consolidated financial statements, Ernst Young (Hellas) Certified Auditors Accountants S.A., appears on page F-4 of the financial statements filed as part of this annual report.

d) Changes in Internal Control over Financial Reporting

None.

Inherent Limitations on Effectiveness of Controls

Our management, including our Chief Executive Officer and our Chief Financial Officer, does not expect that our disclosure controls or our internal control over financial reporting will prevent or detect all error and all fraud. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the control system's objectives will be met. Further, because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that misstatements due to error or fraud will not occur or that all control issues and instances of fraud, if any, within the Company have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty and that breakdowns can occur because of simple error or mistake. Controls can also be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the controls. The design of any system of controls is based in part on certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Projections of any evaluation of controls effectiveness to future periods are subject to risks. Over time, controls may become inadequate because of changes in conditions or deterioration in the degree of compliance with policies or procedures.

Item 16A. Audit Committee Financial Expert

Our Board of Directors has determined that both the members of our Audit Committee, Mr. Kyriacos Riris and Mr. Apostolos Kontoyannis, qualify as "Audit Committee financial experts" and that they are both considered to be "independent" according to SEC rules.

Item 16B. Code of Ethics

We have adopted a code of ethics that applies to officers, directors, employees and agents. Our code of ethics is posted on our website, http://www.dianashippinginc.com, under "About Us—Code of Ethics" and is filed as Exhibit 11.1 to this Annual Report. Copies of our code of ethics are available in print, free of charge, upon request to Diana Shipping Inc., Pendelis 16, 175 64 Palaio Faliro, Athens, Greece. We intend to satisfy any disclosure requirements regarding any amendment to, or waiver from, a provision of this code of ethics by posting such information on our website.

Item 16C. Principal Accountant Fees and Services

a) Audit Fees

Our principal accountants, Ernst and Young (Hellas), Certified Auditors Accountants S.A., have billed us for audit services. Audit fees in 2022 and 2021 amounted to € 383,250 and € 372,750, or approximately $426,000 and $437,000, respectively, and relate to audit services provided in connection with timely AS 4105 reviews, the audit of our consolidated financial statements and the audit of internal control over financial reporting.

b) Audit-Related Fees

Audit related fees amounted to € 71,288, as compared to € 112,000 in 2021 and relate to audit services provided in connection with the Company's filings with the SEC and OceanPal's Spin-off.

c) Tax Fees

During 2022 and 2021, we received services for which fees amounted to $10,500 and $11,000, respectively, for the calculation of Earnings and Profits of the Company.

d) All Other Fees

None.

e) Audit Committee's Pre-Approval Policies and Procedures

Our Audit Committee is responsible for the appointment, replacement, compensation, evaluation and oversight of the work of our independent auditors. As part of this responsibility, the Audit Committee pre-approves the audit and non-audit services performed by the independent auditors in order to assure that they do not impair the auditor's independence from the Company. The Audit Committee has adopted a policy which sets forth the procedures and the conditions pursuant to which services proposed to be performed by the independent auditors may be pre-approved.

f) Audit Work Performed by Other than Principal Accountant if Greater than 50%

Not applicable.

Item 16D. Exemptions from the Listing Standards for Audit Committees

Our Audit Committee consists of two independent members of our Board of Directors. Otherwise, our Audit Committee conforms to each other requirement applicable to audit committees as required by the applicable listing standards of the NYSE.

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

On May 23, 2014, we announced that our Board of Directors authorized a share repurchase plan for up to $100 million of the Company's common shares. The plan does not have an expiration date. As of December 31, 2022 and the date of this report, there is an outstanding value of about $66.3 million of common shares that can be repurchased under the plan. The shares purchased under this plan are presented in the table below:

Period	Total number of shares purchased	Average price paid per share	Total number of shares purchased as part of publicly announced plans or Programs	Maximum number (or approximate Dollar value) of shares that may yet be purchased under the plan
				$70,083,734
June 2022	191,055	$4.66		$69,192,630
July 2022	628,945	$4.53		$66,342,500

Item 16F. Change in Registrant's Certifying Accountant

Not applicable.

Item 16G. Corporate Governance

Overview

Pursuant to an exception for foreign private issuers, we, as a Marshall Islands company, are not required to comply with the corporate governance practices followed by U.S. companies under the NYSE listing standards. We believe that our established practices in the area of corporate governance are in line with the spirit of the NYSE standards and provide adequate protection to our shareholders. In fact, we have voluntarily adopted NYSE required practices, such as (a) having a majority of independent directors, (b) establishing audit, compensation, sustainability and nominating committees and (c) adopting a Code of Ethics. The significant differences between our corporate governance practices and the NYSE standards are set forth below.

Executive Sessions

The NYSE requires that non-management directors meet regularly in executive sessions without management. The NYSE also requires that all independent directors meet in an executive session at least once a year. As permitted under Marshall Islands law and our bylaws, our non-management directors do not regularly hold executive sessions without management and we do not expect them to do so in the future.

Audit Committee

The NYSE requires, among other things, that a company have an audit committee with a minimum of three members. Our Audit Committee consists of two independent members of our Board of Directors. Our Audit Committee conforms to every other requirement applicable to audit committees set forth in the listing standards of the NYSE.

Shareholder Approval of Equity Compensation Plans

The NYSE requires listed companies to obtain prior shareholder approval to adopt or materially revise any equity compensation plan. As permitted under Marshall Islands law and our amended and restated bylaws, we do not need prior shareholder approval to adopt or revise equity compensation plans, including our equity incentive plan.

Corporate Governance Guidelines

The NYSE requires companies to adopt and disclose corporate governance guidelines. The guidelines must address, among other things: director qualification standards, director responsibilities, director access to management and independent advisers, director compensation, director orientation and continuing education, management succession and an annual performance evaluation. We are not required to adopt such guidelines under Marshall Islands law and we have not adopted such guidelines.

Share Issuances

In lieu of obtaining shareholder approval prior to the issuance of designated securities, we will comply with provisions of the Marshall Islands Business Corporations Act, which allows the Board of Directors to approve share issuances. Additionally, the NYSE restricts the issuance of super voting stock such as our Series C Preferred Shares. However, pursuant to 313.00 of Section 3 of the NYSE Listed Company Manual, the NYSE will accept any action or issuance relating to the voting rights structure of a non-U.S. company that is in compliance with the NYSE's requirements for domestic companies or that is not prohibited by the company's home country law. We are not subject to such restrictions under our home country, Marshall Islands, law.

Item 16H. Mine Safety Disclosure

Not applicable.

Item 16I. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections

Not applicable.

PART III

Item 17. Financial Statements

See Item 18.

Item 18. Financial Statements

The financial statements required by this Item 18 are filed as a part of this annual report beginning on page F-1.

Item 19. Exhibits

Exhibit Number	Description
1.1	Amended and Restated Articles of Incorporation of Diana Shipping Inc. (originally known as Diana Shipping Investment Corp.) (1)
1.2	Amended and Restated By-laws of the Company (2)
1.3	Equity Distribution Agreement between Diana Shipping Inc. and Maxim Group LLC. dated April 23, 2021 (21)
1.4	Amendment No.1 to Equity Distribution Agreement between Diana Shipping Inc. and Maxim Group LLC. dated July 7, 2021 (23)
2.1	Form of Common Share Certificate (13)
2.2	Form of Series B Preferred Stock Certificate (16)
2.3	Statement of Designation of the 8.875% Series B Cumulative Redeemable Perpetual Preferred Shares of the Company (3)
2.4	Certificate of Designations of the Series A Participating Preferred Stock of the Company (4)
2.5	Base Indenture, dated May 28, 2015, by and between the Company and Deutsche Bank Trust Company Americas (5)
2.6	First Supplemental Indenture to the Base Indenture, dated May 28, 2015, by and between the Company and Deutsche Bank Trust Company Americas, as trustee, relating to the Company's 8.500% Senior Notes due 2020 (6)
2.7	Certificate of Designation of Rights, Preferences and Privileges of Series C Preferred Stock of the Company (18)
2.8	Description of Securities**
2.9	Certificate of Designation of Rights, Preferences and Privileges of Series D Preferred Stock of the Company (22)
4.1	Stockholders Rights Agreement dated January 15, 2016 (7)
4.2	2014 Equity Incentive Plan (as amended and restated effective January 8, 2021) (24)
4.3	Form of Technical Manager Purchase Option Agreement (8)
4.4	Form of Management Agreement (9)
4.5	Loan Agreement with Bremer Landesbank dated October 22, 2009 (17)
4.6	Loan Agreement with the Export-Import Bank of China and DnB Nor Bank ASA dated October 2, 2010 (17)
4.7	Loan Agreement with Emporiki Bank of Greece S.A., dated September 13, 2011 (14)
4.8	First Supplemental Agreement, by and between Bikar Shipping Company Inc., Diana Shipping Inc., DSS and Emporiki Bank of Greece S.A., dated December 11, 2012 (13)
4.9	Second Supplemental Agreement, by and between Bikar Shipping Company Inc., Diana Shipping Inc., DSS and Credit Agricole Corporate and Investment Bank, dated December 13, 2012 (13)

4.10 Loan Agreement, dated May 24, 2013, by and among Erikub Shipping Company Inc., Wotho Shipping Company Inc., DNB Bank ASA, and Export-Import Bank of China (11)
4.11 Loan Agreement, dated January 9, 2014, by and among Taka Shipping Company Inc., Fayo Shipping Company Inc., and Commonwealth Bank of Australia (11)
4.12 Loan Agreement, dated December 18, 2014, by and among Weno Shipping Company Inc., Pulap Shipping Company Inc., the Banks and Financial Institutions listed therein and BNP Paribas (12)
4.13 Loan Agreement, dated March 17, 2015, by and among Knox Shipping Company Inc., Bokak Shipping Company Inc., Jemo Shipping Company Inc., Guam Shipping Company Inc., Palau Shipping Company Inc., Makur Shipping Company Inc., Mandaringina Inc., Vesta Commercial, S.A., the Banks and Financial Institutions listed therein, Nordea Bank Finland Plc and Nordea Bank AB, London Branch (12)
4.14 Administrative Services Agreement, dated October 1, 2013, by and between Diana Shipping Inc. and Diana Shipping Services S.A. (11)
4.15 Amended and Restated Non-Competition Agreement, dated as of March 1, 2013, by and between Diana Shipping Inc. and Diana Containerships Inc. (renamed to Performance Shipping Inc.) (11)
4.16 Loan Agreement with ABN AMRO Bank N.V., dated March 26, 2015 (13)
4.17 Loan Agreement with Danish Ship Finance, dated April 29, 2015 (13)
4.18 Joint Venture and Subscription Agreement with Wilhelmsen Ship Management, dated January 16, 2015 (13)
4.19 Loan Agreement with BNP Paribas, dated July 22, 2015 (13)
4.20 Loan Agreement with ING Bank N.V., dated September 30, 2015 (13)
4.21 Loan Agreement with The Export-Import Bank of China, dated January 7, 2016 (13)
4.22 Loan Agreement with ABN AMRO Bank N.V., dated March 29, 2016 (15)
4.23 Brokerage Services Agreement, dated April 1, 2016, by and between Diana Shipping Inc. and Diana Enterprises Inc. (15)
4.24 Loan Agreement with DNB Bank ASA and The Export-Import Bank of China, dated May 10, 2016 (15)
4.25 Fourth Amendment to Loan Agreement, dated May 20, 2013, by and between Diana Shipping Inc., Eluk Shipping Company Inc. and Diana Containerships Inc. (renamed to Performance Shipping Inc.), dated September 12, 2016 (15)
4.26 Waiver Letter from Commonwealth Bank of Australia dated January 13, 2017 (15)
4.27 Amendment to Loan Agreement dated October 2, 2010 with the Export-Import Bank of China and DnB Nor Bank ASA, dated February 15, 2017 (15)
4.28 Brokerage Services Agreement, dated April 1, 2019, by and between Diana Shipping Inc. and Steamship Shipbroking Enterprises Inc. (formerly Diana Enterprises Inc.) (20)
4.29 Fifth Amendment to Loan Agreement, dated May 20, 2013, by and between Diana Shipping Inc., Kapa Shipping Company Inc. and Diana Containerships Inc. (renamed to Performance Shipping Inc.), dated May 30, 2017 (19)
4.30 Intercreditor Agreement with Diana Containerships Inc. (renamed to Performance Shipping Inc.), dated June 30, 2017 (19)
4.31 Subordinated Facility Agreement by and between Diana Containerships Inc. (renamed to Performance Shipping Inc.) and Diana Shipping Inc., dated June 30, 2017 (19)
4.32 Amendment to Loan Agreement dated October 2, 2010 with the Export-Import Bank of China and DnB Nor Bank ASA, dated May 18, 2017 (19)
4.33 Loan Agreement dated July 2018 with BNP Paribas (20)
4.34 Summary for Diana Shipping Inc. listing prospectus dated as of December 31, 2018 in respect of 9.50% USD 100,000,000 Senior Unsecured Callable Bond Issue 2018/2023 (20)
4.35 Securities Note dated as of December 3, 2018, in respect of 9.50% USD 100,000,000 Senior Unsecured Callable Bond Issue 2018/2023 (20)
4.36 Registration Document dated as of December 3, 2018, in respect of 9.50% USD 100,000,000 Senior Unsecured Callable Bond Issue 2018/2023 (20)
4.37 Loan Agreement dated March 2019 with DNB Bank ASA (20)
4.38 Loan Agreement dated June 2019 with ABN AMRO Bank N.V.(24)

4.39 Third Amendment Agreement dated December 2020 with DNB Bank ASA (24)
4.40 Loan Agreement dated May 2020 with ABN AMRO Bank N.V. (24)
4.41 Loan Agreement dated May 2020 with Nordea Bank Abp, filial i Norge(24)
4.42 Loan Agreement dated June 2020 with BNP Paribas(24)
4.43 Brokerage Services Agreement, dated July 1, 2020, by and between Diana Shipping Inc. and Diana Enterprises Inc(24)
4.44 Loan Agreement dated May 2021 with ABN AMRO Bank N.V (25)
4.45: Nordea Supplemental Agreement dated July, 29, 2021**
4.46: Nordea Loan Agreement dated September 30, 2022**
4.47: Right of First Refusal Agreement with OceanPal Inc.**
4.48: Amended and Restated Contribution and Conveyance Agreement with OceanPal Inc.**
8.1 Subsidiaries of the Company**
11.1 Amended Code of Ethics (20)
12.1 Rule 13a-14(a)/15d-14(a) Certification of Principal Executive Officer**
12.2 Rule 13a-14(a)/15d-14(a) Certification of Principal Financial Officer**
13.1 Certification of Principal Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**
13.2 Certification of Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**
15.1 Consent of Independent Registered Public Accounting Firm**
101 The following materials from the Company's Annual Report on Form 20-F for the fiscal year ended December 31, 2022, formatted in eXtensible Business Reporting Language (XBRL): (i) Consolidated Balance Sheets as of December 31, 2022 and 2021; (ii) Consolidated Statements of Operations for the years ended December 31, 2022, 2021 and 2020; (iii) Consolidated Statements of Comprehensive Income/(Loss) for the years ended December 31, 2022, 2021 and 2020; (iv) Consolidated Statements of Stockholders' Equity for the years ended December 31, 2022, 2021 and 2020; (v) Consolidated Statements of Cash Flows for the years ended December 31, 2022, 2021 and 2020; and (v) the Notes to Consolidated Financial Statements
104 Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

** Filed herewith.

(1) Filed as Exhibit 1 to the Company's Form 6-K filed on May 29, 2008.
(2) Filed as Exhibit 3.1 to the Company's Form 6-K filed on February 13, 2014.
(3) Filed as Exhibit 3.3 to the Company's Form 8-A filed on February 13, 2014.
(4) Filed as Exhibit 3.1 to the Company's Form 8-A12B/A filed on January 15, 2016.
(5) Filed as Exhibit 4.1 to the Company's Form 6-K filed on May 28, 2015.
(6) Filed as Exhibit 4.2 to the Company's Form 6-K filed on May 28, 2015.
(7) Filed as Exhibit 4.1 to the Company's Form 8-A12B/A filed on January 15, 2016.
(8) Filed as an Exhibit to the Company's Registration Statement (File No. 123052) on March 1, 2005.
(9) Filed as an Exhibit to the Company's Amended Registration Statement (File No. 123052) on March 15, 2005.
(10) Reserved.
(11) Filed as an Exhibit to the Company's Annual Report filed on Form 20-F on March 27, 2014.
(12) Filed as an Exhibit to the Company's Annual Report filed on Form 20-F on March 25, 2015.
(13) Filed as an Exhibit to the Company's Annual Report filed on Form 20-F on March 28, 2016.
(14) Filed as an Exhibit to the Company's Annual Report filed on Form 20-F on April 20, 2012.
(15) Filed as an Exhibit to the Company's Annual Report filed on Form 20-F on February 17, 2017.
(16) Filed as Exhibit 4.1 to the Company's Form 8-A12B filed on February 13, 2014.
(17) Filed as an Exhibit to the Company's Annual Report filed on Form 20-F on March 31, 2011.
(18) Filed as an Exhibit to the Company's Form 6-K filed on February 6, 2019.
(19) Filed as an Exhibit to the Company's Annual Report filed on Form 20-F on March 16, 2018.
(20) Filed as an Exhibit to the Company's Annual Report filed on Form 20-F on March 12, 2019.

(21) Filed as an Exhibit to the Company's Form 6-K filed on April 23, 2021.
(22) Filed as an Exhibit to the Company's Form 6-K filed on June 23, 2021.
(23) Filed as an Exhibit to the Company's Form 6-K filed on July 31, 2021.
(24) Filed as an Exhibit to the Company's Annual Report filed on Form 20-F on March 12, 2021.
(25) Filed as an Exhibit to the Company's Form F-3 filed on June 4, 2021.

SIGNATURES

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and has duly caused and authorized the undersigned to sign this annual report on its behalf.

DIANA SHIPPING INC.

/s/ Ioannis Zafirakis
Ioannis Zafirakis
Chief Financial Officer
Dated: March 27, 2023

DIANA SHIPPING INC.

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Report of Independent Registered Public Accounting Firm

To the Stockholders and the Board of Directors of Diana Shipping Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Diana Shipping Inc. (the Company) as of December 31, 2022 and 2021, the related consolidated statements of operations, comprehensive income/(loss), stockholders' equity and cash flows for each of the three years in the period ended December 31, 2022, and the related notes (collectively referred to as the “consolidated financial statements”). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2022 and 2021, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2022, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2022, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) and our report dated March 27, 2023 expressed an unqualified opinion thereon.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company’s financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

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

	Recoverability assessment of vessels held and used
Description of the matter	At December 31, 2022, the carrying value of the Company's vessels plus unamortized deferred costs was $965,918 thousands. As discussed in Note 2 (l) to the consolidated financial statements, the Company evaluates its vessels for impairment whenever events or changes in circumstances indicate that the carrying value of a vessel plus unamortized deferred costs may not be recoverable in accordance with the guidance in ASC 360 – Property, Plant and Equipment ("ASC 360"). If indicators of impairment exist, management analyzes the future undiscounted net operating cash flows expected to be generated throughout the remaining useful life of each vessel and compares it to the carrying value of the vessel plus unamortized deferred costs. Where a vessel's carrying value plus unamortized deferred costs exceeds the undiscounted net operating cash flows, management will recognize an impairment loss equal to the excess of the carrying value plus unamortized deferred costs over the fair value of the vessel. Auditing management's recoverability assessment was complex given the judgement and estimation uncertainty involved in determining the future charter rates for non-contracted revenue days used in forecasting undiscounted net operating cash flows. These rates are subjective as they involve the development and use of assumptions about the dry-bulk shipping market through the end of the useful lives of the vessels. This assumption is forward looking and subject to the inherent unpredictability of future global economic and market conditions.
How we addressed the matter in our audit	We obtained an understanding of the Company's impairment process, evaluated the design, and tested the operating effectiveness of the controls over the Company's recoverability assessment of vessels held and used, including the determination of future charter rates for non-contracted revenue days. We evaluated management's recoverability assessment by comparing the methodology and model used for each vessel against the accounting guidance in ASC 360. To test management's undiscounted net operating cash flow forecasts, our procedures included, among others, comparing the future vessel charter rates for non-contracted revenue days with external data such as available market data from various analysts and recent economic and industry changes, and internal data such as historical charter rates for the vessels. In addition, we performed sensitivity analyses to assess the impact of changes to future charter rates for non-contracted revenue days in the determination of the future undiscounted net operating cash flows. We tested the completeness and accuracy of the data used within the forecasts. We assessed the adequacy of the Company's disclosures in Note 2 (l) to the consolidated financial statements.

/s/ Ernst & Young (Hellas) Certified Auditors Accountants S.A.

We have served as the Company's auditor since 2004.

Athens, Greece
March 27, 2023

Report of Independent Registered Public Accounting Firm

To the Stockholders and the Board of Directors of Diana Shipping Inc.

Opinion on Internal Control Over Financial Reporting

We have audited Diana Shipping Inc.'s internal control over financial reporting as of December 31, 2022, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). In our opinion, Diana Shipping Inc. (the Company) maintained, in all material respects, effective internal control over financial reporting as of December 31, 2022, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Company as of December 31, 2022 and 2021, the related consolidated statements of operations, comprehensive income/(loss), stockholders' equity and cash flows for each of the three years in the period ended December 31, 2022, and the related notes and our report dated March 27, 2023 expressed an unqualified opinion thereon.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Annual Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

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

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

/s/ Ernst & Young (Hellas) Certified Auditors Accountants S.A.

Athens, Greece
March 27, 2023

DIANA SHIPPING INC.
CONSOLIDATED BALANCE SHEETS
December 31, 2022 and 2021
(Expressed in thousands of U.S. Dollars – except for share and per share data)

	2022	2021
ASSETS		
Current Assets		
Cash and cash equivalents (Note 2(e))	$ 76,428	$ 110,288
Time deposits (Note 2(e))	46,500	-
Accounts receivable, trade (Note 2(f))	6,126	2,832
Due from related parties, net of provision for credit losses (Note 3(c) and 8(b))	216	952
Inventories (Note 2(g))	4,545	6,089
Prepaid expenses and other assets	6,749	5,484
Total Current Assets	140,564	125,645
Fixed Assets:		
Advances for vessel acquisitions (Note 4)	24,123	16,287
Vessels, net (Note 4)	949,616	643,450
Property and equipment, net (Note 5)	22,963	22,842
Total fixed assets	996,702	682,579
Other Noncurrent Assets		
Restricted cash, non-current (Note 6)	21,000	16,500
Equity method investments (Note 3(c))	506	-
Investments in related party (Note 3(f))	7,744	7,644
Other non-current assets	101	1,455
Deferred costs (Note 2(n))	16,302	8,127
Total Non-current Assets	1,042,355	716,305
Total Assets	$ 1,182,919	$ 841,950
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Current portion of long-term debt, net of deferred financing costs (Note 6)	$ 91,495	$ 41,148
Current portion of finance liabilities, net of deferred financing costs (Note 7)	8,802	-
Accounts payable	11,242	9,777
Due to related parties (Note 3(a) and (c))	136	596
Accrued liabilities	12,134	7,878
Deferred revenue (Note 2(q))	7,758	5,732
Total Current Liabilities	131,567	65,131
Non-current Liabilities		
Long-term debt, net of current portion and deferred financing costs (Note 6)	431,016	382,527
Finance liabilities, net of current portion and deferred financing costs (Note 7)	132,129	-
Other non-current liabilities	879	1,097
Total Noncurrent Liabilities	564,024	383,624
Commitments and contingencies (Note 8)	-	-
Stockholders' Equity		
Preferred stock (Note 9)	26	26
Common stock, $0.01 par value; 200,000,000 shares authorized and 102,653,619 and 84,672,258 issued and outstanding on December 31, 2022 and 2021, respectively (Note 9)	1,027	847
Additional paid in capital	1,061,015	982,537
Accumulated other comprehensive income	253	71
Accumulated deficit	(574,993)	(590,286)
Total Stockholders' Equity	487,328	393,195
Total Liabilities and Stockholders' Equity	$ 1,182,919	$ 841,950

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

DIANA SHIPPING INC.

CONSOLIDATED STATEMENTS OF OPERATIONS

For the years ended December 31, 2022, 2021 and 2020

(Expressed in thousands of U.S. Dollars – except for share and per share data)

		2022		2021		2020
REVENUES:						
Time charter revenues (Note 2(q))	$	289,972	$	214,203	$	169,733
OPERATING EXPENSES						
Voyage expenses (Notes 2(q) and 10)		6,942		5,570		13,525
Vessel operating expenses (Note 2(r))		72,033		74,756		85,847
Depreciation and amortization of deferred charges (Note 2(m) and (n))		43,326		40,492		42,991
General and administrative expenses		29,367		29,192		32,778
Management fees to related party (Note 3(c))		511		1,432		2,017
Vessel impairment charges (Note 2(l))		-		-		104,395
(Gain)/loss on sale of vessels (Note 4)		(2,850)		(1,360)		1,085
Insurance recoveries (Note 8(a))		(1,789)		-		-
Other operating (income)/loss		(265)		603		(230)
Operating income/(loss), total	$	142,697	$	63,518	$	(112,675)
OTHER INCOME / (EXPENSES):						
Interest expense and finance costs (Note 11)		(27,419)		(20,239)		(21,514)
Interest and other income		2,737		176		728
(Loss)/gain on extinguishment of debt		(435)		(980)		374
Gain on spin-off of OceanPal Inc. (Note 3(f))		-		15,252		-
Gain on dividend distribution (Note 3(f))		589		-		-
Gain/(loss) from equity method investments (Note 3(c))		894		(333)		(1,110)
Total other expenses, net	$	(23,634)	$	(6,124)	$	(21,522)
Net income/(loss)	$	119,063	$	57,394	$	(134,197)
Dividends on series B preferred shares (Notes 9(b) and 12)		(5,769)		(5,769)		(5,769)
Net income/(loss) attributable to common stockholders	$	113,294	$	51,625	$	(139,966)
Earnings/(loss) per common share, basic (Note 12)	$	1.42	$	0.64	$	(1.62)
Earnings/(loss) per common share, diluted (Note 12)	$	1.36	$	0.61	$	(1.62)
Weighted average number of common shares outstanding, basic (Note 12)		80,061,040		81,121,781		86,143,556
Weighted average number of common shares outstanding, diluted (Note 12)		83,318,901		84,856,840		86,143,556

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

DIANA SHIPPING INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME/(LOSS)
For the years ended December 31, 2022, 2021 and 2020
(Expressed in thousands of U.S. Dollars)

		2022		2021		2020
Net income/(loss)	$	119,063	$	57,394	$	(134,197)
Other comprehensive income/(loss) - Defined benefit plan		182		2		(40)
Comprehensive income/(loss)	$	119,245	$	57,396	$	(134,237)

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

DIANA SHIPPING INC.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
For the years ended December 31, 2022, 2021 and 2020
(Expressed in thousands of U.S. Dollars – except for share data)

	Preferred Stock Series B		Preferred Stock Series C		Preferred Stock Series D		Common Stock					
	# of Shares	Par Value	# of Shares	Par Value	# of Shares	Par Value	# of Shares	Par Value	Additional Paid-in Capital	Other Comprehensive Income / (Loss)	Accumulated Deficit	Total Equity
BALANCE, December 31, 2019	2,600,000	$ 26	10,675	$ -	-	$ -	91,193,339	$ 912	$ 1,021,633	$ 109	$ (452,616)	$ 570,064
Net loss	- -	-	- -	-	- -	-	- -	- -	- -	- -	(134,197)	(134,197)
Issuance of restricted stock and compensation cost (Note 9(h))	-	-	-	-	-	-	2,200,000	22	10,489	-	-	10,511
Stock repurchased and retired (Note 9(e))	-	-	-	-	-	-	(4,118,337)	(41)	(11,958)	-	-	(11,999)
Dividends on series B preferred stock (Note 9(b))	-	-	-	-	-	-	-	-	-	-	(5,769)	(5,769)
Other comprehensive loss	-	-	-	-	-	-	-	-	-	(40)	-	(40)
BALANCE, December 31, 2020	2,600,000	$ 26	10,675	$ -	-	$ -	89,275,002	$ 893	$ 1,020,164	$ 69	$ (592,582)	$ 428,570
Net income	-	-	-	-	-	-	-	-	-	-	57,394	57,394
Issuance of Series D Preferred Stock (Note 9(d))	-	-	-	-	400	-	-	-	254	-	-	254
Issuance of restricted stock and compensation cost (Note 9(h))	-	-	-	-	-	-	8,260,000	83	7,359	-	-	7,442
Stock repurchased and retired (Note 9(e))	-	-	-	-	-	-	(12,862,744)	(129)	(45,240)	-	-	(45,369)
Dividends on series B preferred stock (Note 9(b))	-	-	-	-	-	-	-	-	-	-	(5,769)	(5,769)
Dividends on common stock (Note 9(f))	-	-	-	-	-	-	-	-	-	-	(8,820)	(8,820)
OceanPal Inc. spinoff (Note 9(g))	-	-	-	-	-	-	-	-	-	-	(40,509)	(40,509)
Other comprehensive income	-	-	-	-	-	-	-	-	-	2	-	2

BALANCE, December 31, 2021	2,600,000	$ 26	10,675	$ -	400	$ -	84,672,258	$ 847	$ 982,537	$ 71	$ (590,286)	$ 393,195
Net income	-	-	-	-	-	-	-	-	-	-	119,063	119,063
Issuance of restricted stock and compensation cost (Note 9(h))	-	-	-	-	-	-	1,470,000	15	9,267	-	-	9,282
Stock repurchased and retired (Note 9(e))	-	-	-	-	-	-	(820,000)	(8)	(3,791)	-	-	(3,799)
Issuance of common stock (Note 9(e))	-	-	-	-	-	-	877,581	9	5,313	-	-	5,322
Issuance of common stock for vessel acquisitions (Notes 4 and 9(e))	-	-	-	-	-	-	16,453,780	164	67,689	-	-	67,853
Dividends on series B preferred stock (Note 9(b))	-	-	-	-	-	-	-	-	-	-	(5,769)	(5,769)
Dividends on common stock (Note 9(f))	-	-	-	-	-	-	-	-	-	-	(79,812)	(79,812)
Dividends in kind (Note 9(g))	-	-	-	-	-	-	-	-	-	-	(18,189)	(18,189)
Other comprehensive income	-	-	-	-	-	-	-	-	-	182	-	182
BALANCE, December 31, 2022	2,600,000	$ 26	10,675	$ -	400	$ -	102,653,619	$ 1,027	$ 1,061,015	$ 253	$ (574,993)	$ 487,328

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

DIANA SHIPPING INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the years ended December 31, 2022, 2021 and 2020

(Expressed in thousands of U.S. Dollars)

	2022	2021	2020
Cash Flows from Operating Activities:			
Net income/(loss)	$ 119,063	$ 57,394	$ (134,197)
Adjustments to reconcile net income/(loss) to cash provided by operating activities			
Depreciation and amortization of deferred charges	43,326	40,492	42,991
Asset Impairment loss (Note 2(l))	-	-	104,395
Amortization of debt issuance costs (Note 11)	2,286	1,865	1,066
Compensation cost on restricted stock (Note 9(h))	9,282	7,442	10,511
Provision for credit loss and write offs (Note 2(z) and 3(c))	133	300	-
Dividend income (Note 3(f))	(100)	(69)	-
Pension and other postretirement benefits	182	2	(40)
(Gain)/loss on sale of vessels (Notes 4)	(2,850)	(1,360)	1,085
Gain on dividend distribution (Note 3(f))	(589)	-	-
(Gain)/loss on extinguishment of debt (Note 6)	435	980	(374)
Gain on OceanPal spinoff (Note 3(f))	-	(15,252)	-
(Gain)/loss from equity method investments (Note 3(c))	(894)	333	1,110
(Increase) / Decrease			
Accounts receivable, trade	(3,427)	1,568	2,627
Due from related parties	736	(56)	(1,173)
Inventories	1,768	(1,581)	809
Prepaid expenses and other assets	(1,265)	1,759	1,967
Other non-current assets	(16)	(1,177)	(252)
Increase / (Decrease)			
Accounts payable, trade and other	1,465	1,219	(2,836)
Due to related parties	(72)	154	(31)
Accrued liabilities	3,956	(2,610)	(780)
Deferred revenue	2,026	2,890	310
Other non-current liabilities	(218)	(57)	168
Drydock cost	(16,368)	(4,531)	(10,122)
Net Cash Provided by Operating Activities	$ 158,859	$ 89,705	$ 17,234
Cash Flows from Investing Activities:			
Payments to acquire vessels and vessel improvements (Note 4)	(230,302)	(17,393)	(6,001)
Proceeds from sale of vessels, net of expenses (Note 4)	4,372	33,731	15,623
Proceeds from sale of related party investment	-	-	1,500
Time deposits (Note 2(e))	(46,500)	-	-
Payments to joint venture (Note 3(c))	-	(375)	(500)
Investment in spun-off subsidiary (Note 3(f))	-	(1,000)	-
Payments to acquire furniture and fixtures (Note 5)	(667)	(1,600)	(138)
Net Cash Provided by/(Used in) Investing Activities	$ (273,097)	$ 13,363	$ 10,484
Cash Flows from Financing Activities:			
Proceeds from issuance of long-term debt and finance liabilities (Notes 6 and 7)	275,133	101,279	-
Proceeds from issuance of common stock, net of expenses (Note 9(e))	5,266	-	-
Proceeds from issuance of preferred stock, net of expenses (Note 9(d))	-	254	-
Payments of dividends, preferred stock (Note 9(b))	(5,769)	(5,769)	(5,769)
Payments of dividends, common stock (Note 9(f))	(79,812)	(8,820)	-
Payments for repurchase of common stock (Note 9(e))	(3,799)	(45,369)	(11,999)
Payments of financing costs (Notes 6 and 7)	(3,302)	(7,594)	(567)
Repayments of long-term debt and finance liabilities (Notes 6 and 7)	(102,839)	(93,170)	(54,762)
Net Cash Provided by / (Used in) Financing Activities	$ 84,878	$ (59,189)	$ (73,097)
Cash, Cash Equivalents and Restricted Cash, Period Increase/(Decrease)	(29,360)	43,879	(45,379)
Cash, Cash Equivalents and Restricted Cash, Beginning Balance	126,788	82,909	128,288
Cash, Cash Equivalents and Restricted Cash, Ending Balance	$ 97,428	$ 126,788	$ 82,909
RECONCILIATION OF CASH, CASH EQUIVALENTS AND RESTRICTED CASH			
Cash and cash equivalents	$ 76,428	$ 110,288	62,909
Restricted cash, non-current	21,000	16,500	20,000

Cash, Cash Equivalents and Restricted Cash, Total	$ 97,428	$ 126,788	$ 82,909
SUPPLEMENTAL CASH FLOW INFORMATION			
Non-cash acquisition of assets (Note 4)	$ 136,038	$ -	-
Non-cash debt assumed (Note 6)	20,571	-	-
Stock issued in noncash financing activities (Note 4)	67,909		
Transfer to investments (Note 4)	1,370	441	2,474
Non-cash finance liability (Note 7)	47,782	-	-
Interest paid	$ 21,306	$ 19,608	21,397

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

1. Basis of Presentation and General Information

The accompanying consolidated financial statements include the accounts of Diana Shipping Inc., or DSI, and its wholly owned subsidiaries (collectively, the "Company"). DSI was formed on March 8, 1999, as Diana Shipping Investment Corp., under the laws of the Republic of Liberia. In February 2005, the Company's articles of incorporation were amended. Under the amended articles of incorporation, the Company was renamed Diana Shipping Inc. and was re-domiciled from the Republic of Liberia to the Republic of the Marshall Islands.

The Company is engaged in the ocean transportation of dry bulk cargoes worldwide through the ownership and bareboat charter in of dry bulk carrier vessels. The Company operates its own fleet through Diana Shipping Services S.A. (or "DSS"), a wholly owned subsidiary and through Diana Wilhelmsen Management Limited, or DWM, a 50% owned joint venture (Note 3). The fees paid to DSS are eliminated in consolidation.

The outbreak of war between Russia and the Ukraine has disrupted supply chains and caused instability in the energy markets and the global economy, which have experienced significant volatility. The United States and the European Union, among other countries, have announced sanctions against Russia, including sanctions targeting the Russian oil sector, among those a prohibition on the import of oil and coal from Russia to the United States.

As of December 31, 2022, and during the year ended December 31, 2022, the Company's operations, or counterparties, have not been significantly affected by the war in Ukraine and their implications, however, as volatility continues it is difficult to predict the long-term impact on the industry and on the Company's business and it is possible that in the future third parties with whom the Company has or will have contracts may be impacted by such events and sanctions. The Company is constantly monitoring the developing situation, as well as its charterers' and other counterparties' response to the market and continuously evaluates the effect on its operations. As events continue to evolve and additional information becomes available, the Company's estimates may change in future periods.

2. Significant Accounting Policies

a) Principles of Consolidation: The accompanying consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles and include the accounts of Diana Shipping Inc. and its wholly owned subsidiaries. All intercompany balances and transactions have been eliminated upon consolidation. Under Accounting Standards Codification ("ASC") 810 "Consolidation", the Company consolidates entities in which it has a controlling financial interest, by first considering if an entity meets the definition of a variable interest entity ("VIE") for which the Company is deemed to be the primary beneficiary under the VIE model, or if the Company controls an entity through a majority of voting interest based on the voting interest model. The Company evaluates financial instruments, service contracts, and other arrangements to determine if any variable interests relating to an entity exist. For entities in which the Company has a variable interest, the Company determines if the entity is a VIE by considering whether the entity's equity investment at risk is sufficient to finance its activities without additional subordinated financial support and whether the entity's at-risk equity holders have the characteristics of a controlling financial interest. In performing the analysis of whether the Company is the primary beneficiary of a VIE, the Company considers whether it individually has the power to direct the activities of the VIE that most significantly affect the entity's performance and also has the obligation to absorb losses or the right to receive benefits of the VIE that could potentially be significant to the VIE. The Company had identified it had variable interests in DWM, as it was considered that all of its activities either involved or were conducted on behalf of the Company and its related parties but was not the primary beneficiary. The Company has reconsidered this initial determination and determined that since DWM meets the definition of a business and the Company does not have any obligations to absorb losses of the joint venture, DWM is not a VIE. If the Company holds a variable interest in an entity that previously was not a VIE, it reconsiders whether the entity has become a VIE.

b) Use of Estimates: The preparation of consolidated financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

c) Other Comprehensive Income / (Loss): The Company separately presents certain transactions, which are recorded directly as components of stockholders' equity. Other Comprehensive Income / (Loss) is presented in a separate statement.

d) Foreign Currency Translation: The functional currency of the Company is the U.S. dollar because the Company's vessels operate in international shipping markets, and therefore primarily transact business in U.S. dollars. The Company's accounting records are maintained in U.S. dollars. Transactions involving other currencies during the year are converted into U.S. dollars using the exchange rates in effect at the time of the transactions. At the balance sheet dates, monetary assets and liabilities which are denominated in other currencies are translated into U.S. dollars at the year-end exchange rates. Resulting gains or losses are included in other operating (income)/loss in the accompanying consolidated statements of operations.

e) Cash, Cash Equivalents and Time Deposits: The Company considers highly liquid investments such as time deposits, certificates of deposit and their equivalents with an original maturity of up to about three months to be cash equivalents. Time deposits with maturity above three months are removed from cash and cash equivalents and are separately presented as time deposits. Restricted cash consists mainly of cash deposits required to be maintained at all times under the Company's loan facilities (Note 6).

f) Accounts Receivable, Trade: The amount shown as accounts receivable, trade, at each balance sheet date, includes receivables from charterers for hire from lease agreements, net of provisions for doubtful accounts, if any. At each balance sheet date, all potentially uncollectible accounts are assessed individually for purposes of determining the appropriate provision for doubtful accounts. As of December 31, 2022 and 2021 there was no provision for doubtful accounts. The Company does not recognize interest income on trade receivables as all balances are settled within a year.

g) Inventories: Inventories consist of lubricants and victualling which are stated, on a consistent basis, at the lower of cost or net realizable value. Net realizable value is the estimated selling prices in the ordinary course of business, less reasonably predictable costs of completion, disposal, and transportation. When evidence exists that the net realizable value of inventory is lower than its cost, the difference is recognized as a loss in earnings in the period in which it occurs. Cost is determined by the first in, first out method. Amounts removed from inventory are also determined by the first in first out method. Inventories may also consist of bunkers, when on the balance sheet date, a vessel is without employment. Bunkers, if any, are also stated at the lower of cost or net realizable value and cost is determined by the first in, first out method.

h) Vessel Cost: Vessels are stated at cost which consists of the contract price and any material expenses incurred upon acquisition or during construction. Expenditures for conversions and major improvements are also capitalized when they appreciably extend the life, increase the earning capacity or improve the efficiency or safety of the vessels; otherwise, these amounts are charged to expense as incurred. Interest cost incurred during the assets' construction periods that theoretically could have been avoided if expenditure for the assets had not been made is also capitalized. The capitalization rate, applied on accumulated expenditures for the vessel, is based on interest rates applicable to outstanding borrowings of the period.

i) Vessels held for sale: The Company classifies assets as being held for sale when the respective criteria are met. Long-lived assets or disposal groups classified as held for sale are measured at the lower of their carrying amount or fair value less cost to sell. These assets are not depreciated once they meet the criteria to be held for sale. The fair value less cost to sell of an asset held for sale is assessed at each reporting period it remains classified as held for sale. When the plan to sell an asset changes, the asset is reclassified as held and used, measured at the lower of its carrying amount before it was recorded as held for sale, adjusted for depreciation, and the asset's fair value at the date of the decision not to sell.

j) Sale and leaseback: In accordance with ASC 842-40 in a sale-leaseback transaction where the sale of an asset and leaseback of the same asset by the seller is involved, the Company, as seller-lessee, should firstly determine whether the transfer of an asset shall be accounted for as a sale under ASC 606. For a sale to have occurred, the control of the asset would need to be transferred to the buyer and the buyer would need to obtain substantially all the benefits from the use of the asset. As per the aforementioned guidance, sale and leaseback transactions, which include an obligation for the Company, as seller-lessee, to repurchase the asset, or other situations where the leaseback would be classified as a finance lease, are determined to be failed sales under ASC 842-40. Consequently, the Company does not derecognize the asset from its balance sheet and accounts for any amounts received under the sale and leaseback agreement as a financing arrangement.

k) Property and equipment: The Company owns the land and building where its offices are located. The Company also owns part of a plot acquired for office use (Note 5). Land is stated at cost and it is not subject to depreciation. The building has an estimated useful life of 55 years with no residual value. Furniture, office equipment and vehicles have a useful life of 5 years, except for a car owned by the Company, which has a useful life of 10 years. Computer software and hardware have a useful life of three years. Depreciation is calculated on a straight-line basis.

l) Impairment of Long-Lived Assets: Long-lived assets are reviewed for impairment whenever events or changes in circumstances (such as market conditions, obsolesce or damage to the asset, potential sales and other business plans) indicate that the carrying amount of an asset may not be recoverable. When the estimate of undiscounted projected net operating cash flows, excluding interest charges, expected to be generated by the use of an asset over its remaining useful life and its eventual disposition is less than its carrying amount, the Company evaluates the asset for impairment loss. Measurement of the impairment loss is based on the fair value of the asset, determined mainly by third party valuations.

For vessels, the Company calculates undiscounted projected net operating cash flows by considering the historical and estimated vessels' performance and utilization with the significant assumption being future charter rates for the unfixed days, using the most recent 10-year average of historical 1 year time charter rates available for each type of vessel over the remaining estimated life of each vessel, net of commissions. Historical ten-year blended average one-year time charter rates are in line with the Company's overall chartering strategy, they reflect the full operating history of vessels of the same type and particulars with the Company's operating fleet and they cover at least a full business cycle, where applicable. When the 10-year average of historical 1 year time charter rates is not available for a type of vessels, the Company uses the average of historical 1 year time charter rates of the available period. Other assumptions used in developing estimates of future undiscounted cash flow are charter rates calculated for the fixed days using the fixed charter rate of each vessel from existing time charters, the expected outflows for scheduled vessels' maintenance; vessel operating expenses; fleet utilization, and the vessels' residual value if sold for scrap. Assumptions are in line with the Company's historical performance and its expectations for future fleet utilization under its current fleet deployment strategy. This calculation is then compared with the vessels' net book value plus unamortized deferred costs. The difference between the carrying amount of the vessel plus unamortized deferred costs and their fair value is recognized in the Company's accounts as impairment loss.

The Company's impairment assessment resulted in the recognition of impairment on certain vessels' carrying value in 2020 amounting to $104,395. No impairment loss was identified or recorded in 2021 and 2022.

For property and equipment, the Company determines undiscounted projected net operating cash flows by considering an estimated monthly rent the Company would have to pay in order to lease a similar property, during the useful life of the building. No impairment loss was identified or recorded for 2022, 2021 and 2020 and the Company has not identified any other facts or circumstances that would require the write down of the value of its land or building in the near future.

m) Vessel Depreciation: Depreciation is computed using the straight-line method over the estimated useful life of the vessels, after considering the estimated salvage (scrap) value. Each vessel's salvage value is equal to the product of its lightweight tonnage and estimated scrap rate. Management estimates the useful life of the Company's vessels to be 25 years from the date of initial delivery from the shipyard. Second-hand vessels are depreciated from the date of their acquisition through their remaining estimated useful life. When regulations place limitations over the ability of a vessel to trade on a worldwide basis, its remaining useful life is adjusted at the date such regulations are adopted.

n) Deferred Costs: The Company follows the deferral method of accounting for dry-docking and special survey costs whereby actual costs incurred are deferred and amortized on a straight-line basis over the period through the date the next survey is scheduled to become due. Unamortized deferred costs of vessels that are sold or impaired are written off and included in the calculation of the resulting gain or loss in the year of the vessel's sale (Note 4) or impairment.

o) Financing Costs: Fees paid for obtaining finance liabilities, fees paid to lenders for obtaining new loans, new bonds, or refinancing existing ones accounted as loan modification, are deferred and recorded as a contra to debt. Other fees paid for obtaining loan facilities not used at the balance sheet date are deferred. Fees relating to drawn loan facilities are amortized to interest and finance costs over the life of the related debt using the effective interest method and fees incurred for loan facilities not used at the balance sheet date are amortized using the straight-line method according to their availability terms. Unamortized fees relating to loans or bonds repaid or repurchased or refinanced as debt extinguishment are written off in the period the repayment, prepayment, repurchase or extinguishment is made and included in the determination of gain/loss on debt extinguishment. Loan commitment fees are expensed in the period incurred, unless they relate to loans obtained to finance vessels under construction, in which case, they are capitalized to the vessels' cost.

p) Concentration of Credit Risk: Financial instruments, which potentially subject the Company to significant concentrations of credit risk, consist principally of cash and trade accounts receivable. The Company places its temporary cash investments, consisting mostly of deposits, with various qualified financial institutions and 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.

q) Accounting for Revenues and Expenses: Revenues are generated from time charter agreements which contain a lease as they meet the criteria of a lease under ASC 842. Agreements with the same charterer are accounted for as separate agreements according to their specific terms and conditions. All agreements contain a minimum non-cancellable period and an extension period at the option of the charterer. Each lease term is assessed at the inception of that lease. Under a time charter agreement, the charterer pays a daily hire for the use of the vessel and reimburses the owner for hold cleanings, extra insurance premiums for navigating in restricted areas and damages caused by the charterers. Revenues from time charter agreements providing for varying annual rates are accounted for as operating leases and thus recognized on a straight-line basis over the non-cancellable rental periods of such agreements, as service is performed. The charterer pays to third parties port, canal and bunkers consumed during the term of the time charter agreement, unless they are for the account of the owner, in which case, they are included in voyage expenses. Voyage expenses also include commissions on time charter revenue (paid to the charterers, the brokers and the managers) and gain or loss from bunkers resulting mainly from the difference in the value of bunkers paid by the Company when the vessel is redelivered to the Company from the charterer under the vessel's previous time charter agreement and the value of bunkers sold by the Company when the vessel is delivered to a new charterer (Note 10). Under a time charter agreement, the owner pays for the operation and the maintenance of the vessel, including crew, insurance, spares and repairs, which are recognized in operating expenses. The Company, as lessor, has elected not to allocate the consideration in the agreement to the separate lease and non-lease components (operation and maintenance of the vessel) as their timing and pattern of transfer to the charterer, as the lessee, are the same and the lease component, if accounted for separately, would be classified as an operating lease. Additionally, the lease component is considered the predominant component, as the Company has assessed that more value is ascribed to the vessel rather than to the services provided under the time charter contracts. In time charter agreements apart from the agreed hire rate, the Company may be entitled to an additional income, such as ballast bonus. Ballast bonus is paid by charterers for repositioning the vessel. The Company analyzes terms of each contract to assess whether income from ballast bonus is accounted together with the lease component over the duration of the charter or as service component under ASC 606. Deferred revenue includes cash received prior to the balance sheet date for which all criteria to recognize as revenue have not been met.

r) Repairs and Maintenance: All repair and maintenance expenses including underwater inspection expenses are expensed in the year incurred. Such costs are included in vessel operating expenses in the accompanying consolidated statements of operations.

s) Earnings / (loss) per Common Share: Basic earnings / (loss) per common share are computed by dividing net income / (loss) available to common stockholders by the weighted average number of common shares outstanding during the year. Shares issuable at little or no cash consideration upon satisfaction of certain conditions, are considered outstanding and included in the computation of basic earnings/(loss) per share as of the date that all necessary conditions have been satisfied. Diluted earnings per common share, reflects the potential dilution that could occur if securities or other contracts to issue common stock were exercised.

t) Segmental Reporting: The Company engages in the operation of dry-bulk vessels which has been identified as one reportable segment. The operation of the vessels is the main source of revenue generation, the services provided by the vessels are similar and they all operate under the same economic environment. Additionally, the vessels do not operate in specific geographic areas, as they trade worldwide; they do not trade in specific trade routes, as their trading (route and cargo) is dictated by the charterers;

and the Company does not evaluate the operating results for each type of dry bulk vessels (i.e. Panamax, Capesize etc.) for the purpose of making decisions about allocating resources and assessing performance.

u) Fair Value Measurements: The Company classifies and discloses its assets and liabilities carried at fair value in one of the following categories: 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.

v) Share Based Payments: The Company issues restricted share awards which are measured at their grant date fair value and are not subsequently re-measured. That cost is recognized over the period during which an employee is required to provide service in exchange for the award—the requisite service period (usually the vesting period). No compensation cost is recognized for equity instruments for which employees do not render the requisite service unless the board of directors determines otherwise. Forfeitures of awards are accounted for when and if they occur. If an equity award is modified after the grant date, incremental compensation cost will be recognized in an amount equal to the excess of the fair value of the modified award over the fair value of the original award immediately before the modification.

w) Equity method investments: Investments in common stock in entities over which the Company exercises significant influence but does not exercise control are accounted for by the equity method of accounting. Under this method, the Company records such an investment at cost and adjusts the carrying amount for its share of the earnings or losses of the entity subsequent to the date of investment and reports the recognized earnings or losses in income. Dividends received, if any, reduce the carrying amount of the investment. When the carrying value of an equity method investment is reduced to zero because of losses, the Company does not provide for additional losses unless it is committed to provide further financial support to the investee. As of December 31, 2021, the Company's investment in DWM is classified as a liability because the Company absorbed such losses (Note 3(c)). The Company also evaluates whether a loss in value of an investment that is other than a temporary decline should be recognized. Evidence of a loss in value might include absence of an ability to recover the carrying amount of the investment or inability of the investee to sustain an earnings capacity that would justify the carrying amount of the investment.

x) Going concern: Management evaluates, at each reporting period, whether there are conditions or events that raise substantial doubt about the Company's ability to continue as a going concern within one year from the date the financial statements are issued.

y) Shares repurchased and retired: The Company's shares repurchased for retirement, are immediately cancelled and the Company's share capital is accordingly reduced. Any excess of the cost of the shares over their par value is allocated in additional paid-in capital, in accordance with ASC 505-30-30, Treasury Stock.

z) Financial Instruments, credit losses: At each reporting date, the Company evaluates its financial assets individually for credit losses and presents such assets in the net amount expected to be collected on such financial asset. When financial assets present similar risk characteristics, these are evaluated on a collective basis. When developing an estimate of expected credit losses, the Company considers available information relevant to assessing the collectability of cash flows such as internal information, past events, current conditions and reasonable and supportable forecasts. As of December 31, 2021, the Company assessed the financial condition of DWM, changed its estimate on the recoverability of its receivable due from DWM relating to the fine paid by the Company on behalf of DWM (Notes 3(c) and 8(b)) and determined that part of the amount may not be recoverable. As a result, the Company recorded as of December 31, 2021, an allowance for credit losses amounting to $300, based on probability of default as there was no previous loss record. The allowance for credit losses was included in "Other operating (income)/loss" in the 2021 accompanying consolidated statements of operations. The allowance was reversed in 2022 as the full amount was recovered and its reversal is included in "Other operating (income)/loss" in the 2022 accompanying consolidated statements of operations. No credit losses were identified and recorded in 2020 and 2022.

aa) Financial Instruments, Recognition and Measurement: According to ASC 321-10-35-2, the Company has elected to measure equity securities without a readily determinable fair value, that do not qualify for the practical expedient in ASC 820 *Fair Value Measurement* to estimate fair value using the NAV per share (or its equivalent), at its cost minus impairment, if any. If the Company identifies observable price changes in orderly transactions for the identical or a similar investment of the same issuer, it shall measure equity securities at fair value as of the date that the observable transaction occurred. The Company shall continue to apply this measurement until the investment does not qualify to be measured in accordance with this paragraph. At each reporting period, the Company reassesses whether an equity investment without a readily determinable fair value qualifies to be measured in accordance with this paragraph. The Company may subsequently elect to measure equity securities at fair value and the election to measure securities at fair value shall be irrevocable. Any resulting gains or losses on the securities for which that election is made shall be recorded in earnings at the time of the election. At each reporting period, the Company also evaluates indicators such as the investee's performance and its ability to continue as going concern and market conditions, to determine whether an investment is impaired in which case, the Company will estimate the fair value of the investment to determine the amount of the impairment loss.

ab) Non-monetary transactions and spinoffs: Non-monetary transactions are recorded based on the fair values of the assets (or services) involved unless the fair value of neither the asset received, nor the asset relinquished is determinable within reasonable limits. Also, under ASC 845-10-30-10 Nonmonetary Transactions, Overall, Initial Measurement, Nonreciprocal Transfers with Owners and ASC 505-60 Spinoffs and Reverse Spinoffs, if the pro-rata spinoff of a consolidated subsidiary or equity method investee does not meet the definition of a business under ASC 805, the nonreciprocal transfer of nonmonetary assets is accounted for at fair value, if the fair value of the nonmonetary asset distributed is objectively measurable and would be clearly realizable to the distributing entity in an outright sale at or near the time of the distribution, and the spinor recognizes a gain or loss for the difference between the fair value and book value of the spinee. A transaction is considered pro rata if each owner receives an ownership interest in the transferee in proportion to its existing ownership interest in the transferor (even if the transferor retains an ownership interest in the transferee). In accordance with ASC 805 Business Combinations: Clarifying the Definition of a Business, if substantially all of the fair value of the gross assets distributed in a spinoff are concentrated in a single identifiable asset or group of similar identifiable assets, then the spinoff of a consolidated subsidiary does not meet the definition of a business (Note 3(f)). Other nonreciprocal transfers of nonmonetary assets to owners are accounted for at fair value if the fair value of the nonmonetary asset distributed is objectively measurable and would be clearly realizable to the distributing entity in an outright sale at or near the time of the distribution.

ac) Contracts in entity's equity: Under ASC 815-40 contracts that require settlement in shares are considered equity instruments, unless an event that is not in the entity's control would require net cash settlement. Additionally, the entity should have sufficient authorized and unissued shares, the contract contains an explicit share limit, there is no requirement to net cash settle the contract in the event the entity fails to make timely filings with the Securities and Exchange Commission (SEC) and there are no cash settled top-off or make-whole provisions. The Company follows the provision of ASC 480 "Distinguishing Liabilities from Equity" and ASC 815 "Derivatives and Hedging" to determine whether the warrants issued should be classified as permanent equity, temporary equity or liability. The Company has determined that warrants are free standing instruments and are out of scope of ASC 480 and meet all criteria for equity classification.

New Accounting Pronouncements - Not Yet Adopted

In March 2020, the FASB issued ASU 2020-04, Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting, which provides optional expedients and exceptions for applying GAAP to contracts, hedging relationships, and other transactions affected by reference rate reform. ASU 2020-04 applies to contracts that reference LIBOR or another reference rate expected to be terminated because of reference rate reform. The amendments in this Update are effective for all entities as of March 12, 2020 through December 31, 2022. An entity may elect to apply the amendments for contract modifications by Topic or Industry Subtopic as of any date from the beginning of an interim period that includes or is subsequent to March 12, 2020, or prospectively from a date within an interim period that includes or is subsequent to March 12, 2020, up to the date that the financial statements are available to be issued. Once elected for a Topic or an Industry Subtopic, the amendments in this Update must be applied prospectively for all eligible contract modifications for that Topic or Industry Subtopic. An entity may elect to apply the amendments in this Update to eligible hedging relationships existing as of the beginning of the interim period that includes March 12, 2020 and to new eligible hedging relationships entered into after the beginning of the interim period that includes March 12, 2020. An entity may elect certain optional expedients for hedging relationships that exist as of December 31, 2022 and maintain those optional expedients through the end of the hedging relationship. In December 2022, the FASB issued ASU No. 2022-06, Deferral of the Sunset Date of Reference Rate Reform (Topic 848). Topic 848 provides optional expedients and exceptions for applying GAAP to transactions affected by reference rate (e.g., LIBOR) reform if certain criteria are met, for a limited period of time to ease the potential burden in accounting for (or recognizing the effects of) reference rate reform on financial reporting. The ASU deferred the sunset date of Topic 848 from December 31, 2022 to December 31, 2024. The Company is exposed to LIBOR and LIBOR changes under its loan agreements with several banks. As of December 31, 2022, the Company used LIBOR and will continue to use LIBOR until it is discontinued or replaced by another rate to be agreed with the related banks. During 2022, the Company entered into a new loan agreement and elected to use term SOFR as a replacement for LIBOR and it is probable that it will use the same rate when the agreements under LIBOR are modified. The Company does not expect that the change of LIBOR to term SOFR will have a significant impact in its results of operations and cash flows.

3. Transactions with related parties

a) Altair Travel Agency S.A. ("Altair"): The Company uses the services of an affiliated travel agent, Altair, which is controlled by the Company's Chairman of the Board. Travel expenses for 2022, 2021 and 2020 amounted to $2,644, $2,210 and $1,854, respectively, and are mainly included in "Vessels, net book value", "Vessel operating expenses" and "General and administrative expenses" in the accompanying consolidated financial statements. As of December 31, 2022 and 2021, an amount of $136 and $138, respectively, was payable to Altair and is included in "Due to related parties" in the accompanying consolidated balance sheets.

b) Steamship Shipbroking Enterprises Inc. or Steamship: Steamship is a company controlled by the Company's Chairman of the Board which provides brokerage services to DSI for a fixed monthly fee plus commission on the sale of vessels, pursuant to a Brokerage Services Agreement. For 2022, 2021 and 2020 brokerage fees amounted to $3,309, $3,309 and $2,653, respectively, and are included in "General and administrative expenses" in the accompanying consolidated statements of operations. For 2022, 2021, and 2020, commissions on the sale and purchase of vessels amounted to $1,219, $712 and $576, respectively and are included in the calculation of impairment charge when the vessels were recorded at fair value less cost to sell, or the gain/loss on the sale of vessels. As of December 31, 2022 and 2021, there was no amount due to Steamship.

c) Diana Wilhelmsen Management Limited, or DWM: DWM is a joint venture between Diana Ship Management Inc., a wholly owned subsidiary of DSI, and Wilhelmsen Ship Management Holding AS, an unaffiliated third party, each holding 50% of DWM. The DWM office is located in Athens, Greece. During 2021 and 2020, each 50% shareholder of DWM contributed an amount of $375 and $500, respectively, as additional investment to DWM. As of December 31, 2022, the investment in DWM amounted to $506 and is separately presented in "Equity method investments" in the accompanying 2022 consolidated balance sheet and as of December 31, 2021, the investment in DWM was a liability amounting to $388 and is included in "Due to related parties" in the accompanying 2021 consolidated balance sheet. In 2022, the investment in DWM resulted in gain of $894, and in 2021 and in 2020, resulted in a loss of $333 and $1,110, respectively, included in "Gain/(loss) from equity method investments" in the accompanying consolidated statements of operations.

From October 8, 2019 until May 24, 2021, DSS outsourced the management of certain vessels to DWM for which DSS was paying a fixed monthly fee per vessel and a percentage of those vessels' gross revenues. On May 24, 2021, the management of the same vessels was transferred to DWM directly, whereas the vessel owning companies of these vessels entered into new management agreements with DWM under which they pay a fixed monthly fee and a percentage of their gross revenues. Management fees paid to DWM in 2022, 2021 and 2020 amounted to $511, $1,432 and $2,017, respectively, and are separately presented as "Management fees to related party" in the accompanying consolidated statements of operations. Additionally, in 2022, the Company paid to DWM management fees amounting to $272, included in "Advances for vessel acquisitions" and "Vessels, net", relating to the management of four Ultramax vessels the Company assigned to DWM with new management agreements and incurred during the predelivery period of the vessels. Commissions for 2022, 2021 and 2020 amounted to $162, $200 and $353, respectively, and are included in "Voyage expenses" (Note 10). As of December 31, 2022 and 2021, there was an amount of $216 and $952 due from DWM, included in "Due from related parties" in the accompanying consolidated balance sheets (Note 8(b)). As of December 31, 2021, the amount due from related parties includes a provision of $300 for credit losses (Note 2 (z)), which in 2022 was reversed, as the due amount was collected.

d) Series D Preferred Stock: On June 22, 2021, the Company issued 400 shares Series D Preferred Stock, to an affiliate of its Chief Executive Officer, Mrs. Semiramis Paliou for an aggregate purchase price of $254 net of expenses (Note 9).

e) Sale and purchase of Bond by executives: On June 22, 2021, entities affiliated with executive officers and directors of the Company sold their bonds of the Company's 9.5% Senior Unsecured Bond and participated in the 8.375% Senior Unsecured Bond with an aggregate principal amount of $21,000 (Note 6).

f) OceanPal Inc., or OceanPal: in November 2021, the Company entered into a Contribution and Conveyance agreement with its wholly owned subsidiary OceanPal, to contribute to it three of its shipowning subsidiaries and working capital of $1,000 in exchange for 500,000 of OceanPal's Series B Preferred Shares; 10,000 of OceanPal's Series C Convertible Preferred Shares; and 100% of the common shares of OceanPal to be issued and outstanding on the spinoff with cancellation of the existing outstanding common shares. On November 29, 2021, the Company completed a pro rata distribution of the common stock of OceanPal to the Company's stockholders of record as of the close of business on November 3, 2021. Each of the Company's stockholders received one share of OceanPal Inc. common stock for each ten shares of the Company's common stock held as of the close of business on November 3, 2021. As of December 31, 2021, the Company evaluated OceanPal's spinoff and concluded that it was a pro rata distribution to the owners of the Company of shares of a consolidated subsidiary that does not meet the definition of a business under ASC 805 Business Combinations, as the fair value of the gross assets contributed to OceanPal was concentrated in a group of similar identifiable assets, the vessels. The Company also assessed that the fair value of the nonmonetary assets transferred to OceanPal was objectively measurable and clearly realizable to the transferor in an outright sale at or near the time of the distribution. The spinoff was measured at fair value and a gain of $15,252, being the difference between the fair value and book value of the OceanPal, was recognized and separately presented as "Gain on spinoff of OceanPal Inc." in the accompanying consolidated statements of operations.

The fair value of the assets contributed, amounting to $48,084 less the fair value of 500,000 of OceanPal's Series B Preferred Shares and 10,000 of OceanPal's Series C Convertible Preferred Shares, issued by OceanPal to Diana in connection with the transaction, amounting to $7,575, was recorded as dividend in the Company's consolidated statement of stockholders' equity for the year ended December 31, 2021. The fair value of the vessels was measured on the date of the spinoff, on November 29, 2021, and was determined through Level 2 inputs of the fair value hierarchy by taking into consideration third party valuations which were based on the last done deals of sale of vessels, on a charter free basis, with similar characteristics, such as type, size and age at the specific dates. The fair value of the remaining assets contributed approximated their carrying value.

Since the spinoff, the Company is the holder of Series B Preferred Shares and Series C Convertible Preferred Shares of OceanPal, or together the "OceanPal Shares". Series B Preferred Shares entitle the holder to 2,000 votes on all matters submitted to vote of the stockholders of the Company, provided however, that the total number of votes shall not exceed 34% of the total number of votes, provided further, that the total number of votes entitled to vote, including common stock or any other voting security, would not exceed 49% of the total number of votes.

Series C Preferred Shares do not have voting rights unless related to amendments of the Articles of Incorporation that adversely alter the preference, powers or rights of the Series C Preferred Shares or to issue Parity Stock or create or issue Senior Stock. Series C Preferred Shares have become convertible into common stock at the Company's option since the first anniversary of the issue date, at a conversion price equal to the lesser of $6.5 and the 10-trading day trailing VWAP of OceanPal's common shares, subject to adjustments. Additionally, Series C Preferred Shares have a cumulative preferred dividend accruing at the rate of 8% per annum, payable in cash or, at OceanPal's election, in kind and has a liquidation preference equal to the stated value of $10,000. As there was no observable market for the OceanPal Shares, at the spinoff the Series B Preferred Shares were recorded at their par value, or $5, which the Company assessed was the fair value, and Series C Preferred Shares were recorded at $7,570, being the fair value of the shares determined through Level 2 inputs of the fair value hierarchy by taking into consideration a third party valuation based on the income approach, taking into account the present value of the future cash flows the Company expects to receive from holding the equity instrument.

During 2022 and for the period from the spinoff to December 31, 2021, the Company assessed the existence of an observable market for the OceanPal Shares, the existence of observable price changes for identical or similar investments of the same issuer and the existence of any indications for impairment. As per the Company's assessment no such have been identified as of December 31, 2022 and 2021 and for the periods then ended and the investments continued to qualify to be measured at cost. As of December 31, 2022 and 2021, the aggregate value of investments without readily determinable fair values amounted to $7,744 and $7,644, respectively, including accrued dividends of $169 and $69, respectively, and are separately presented as "Investments in related party" in the accompanying consolidated balance sheets. Additionally, as of December 31, 2021, an amount of $70 was due to OceanPal, as a result of the spinoff, included in "Due to related parties", which was settled in 2022.

On September 20, 2022, OceanPal issued 25,000 Series D Preferred Shares, par value $0.01 per share, as part of the consideration provided to the Company for the acquisition of Baltimore, which was sold to OceanPal, pursuant to a Memorandum of Agreement dated June 13, 2022, for $22,000 before commissions, of which $4,400 was in cash and the balance of $17,600 through the Series D Preferred shares (Note 4). The Company has initially measured its investments on Series D preferred shares at their fair value on their issuance date on September 20, 2022 and has elected to subsequently measure such investments in accordance with the paragraph ASC 321-10-35-2 (Note 2(aa)). The fair value of Series D Preferred Shares, of $17,600, was determined through Level 2 inputs of the fair value hierarchy by taking into consideration a third-party valuation which was based on the income approach, taking into account the present value of the future cash flows the Company expects to receive from holding the equity instrument. The shares are convertible into common stock at the Company's option, provided however that the Company would not beneficially own greater than 49% of the outstanding shares of common stock; they have no voting rights; they have a cumulative dividend accruing at the rate of 7% per annum payable in cash or, at OceanPal's election, in PIK shares (Series D Preferred shares issued to the holder in lieu of cash dividends); and they have a liquidation preference equal $1,000 per share. From the date of the acquisition of the investment in Series D preferred shares and up to the date of its distribution to the Company's shareholders (see discussion below), the Company did not identify any indications for impairment or any observable prices for identical or similar investments of the same issuer.

On December 15, 2022, the Company distributed those shares as non-cash dividend (dividend in kind) to its shareholders of record on November 28, 2022. The shareholders had the option to receive Series D Preferred Shares or common shares of OceanPal at the conversion rate determined before distribution according to the terms of the designation statement. The Company's shareholders received 72,011,457 common shares of OceanPal, and 9,172 Series D Preferred Shares. The Company accounted for the transaction as a nonreciprocal transfer with its owners in accordance with ASC 845 and measured their fair value on the date of declaration at $18,189. The fair value of the Series D Preferred Shares was determined through Level 2 inputs of the fair value hierarchy, by using the income approach, taking into account the present value of the future cash flows, the holder of shares would expect to receive from holding the equity instrument. This resulted in gain of $589, being the difference between the fair value and the carrying value of the investment and is separately presented as "Gain on dividend distribution" in the accompanying consolidated statements of operations.

During 2022 and 2021, dividend income deriving from the Company's investments in OceanPal amounted to $917 and $69, respectively.

4. Advances for vessel acquisitions and Vessels, net

Advances for Vessel Acquisitions

As of December 31, 2022 and 2021, advances for vessel acquisitions amounted to $24,123 and $16,287, respectively, and related to advances paid and predelivery costs incurred for the acquisition of the vessels described below. As of December 31, 2022, an amount of $20,571 included in advances for vessels acquisitions was held at an escrow account of the designated escrow agent and were the funds borrowed for the acquisition of one vessel which was delivered to the Company in January 2023 (Note 15).

Vessel Acquisitions

On July 15, 2021 the Company signed, through a separate wholly owned subsidiary, a Memorandum of Agreement to acquire from an unaffiliated third party, the 2011 built Kamsarmax dry bulk vessel *Leonidas P.C.*, for a purchase price of $22,000. The Company paid an advance of $4,400, being 20% of the purchase price, included in Advances for vessel acquisitions, in the accompanying 2021 consolidated balance sheet. The balance of the purchase price was paid on the vessel's delivery on February 16, 2022, and the advance and predelivery costs were transferred to Vessels. The Company incurred $927 of additional predelivery expenses.

On December 3, 2021, the Company signed, through a separate wholly owned subsidiary, a Memorandum of Agreement to acquire from an unaffiliated third party, the Capesize dry bulk vessel *Florida,* being under construction, for a purchase price of $59,275. The Company paid an amount of $11,855, being 20% advance of the purchase price included in Advances for vessel acquisitions, in the accompanying 2021 consolidated balance sheet. The balance of the purchase price was paid on the vessel's delivery on March 29, 2022 and the advance and predelivery costs were transferred to Vessels. The Company incurred $1,504 of additional predelivery expenses.

On August 10, 2022, the Company entered into a master agreement with Sea Trade Holdings Inc. (or "Sea Trade"), an unaffiliated third party, to acquire nine Ultramax vessels for an aggregate purchase price of $330,000, of which $220,000 would be paid in cash and $110,000 through an aggregate of 18,487,393 newly issued common shares of the Company, issuable on the delivery of each vessel. In addition to the master agreement, in August 2022, the Company entered into nine separate memoranda of agreement for the acquisition of each vessel and issued nine warrants to Sea Trade, for the issuance of the shares, exercisable on the delivery date of each vessel. During the fourth quarter of 2022, the Company took delivery of eight vessels for an aggregate value of $263,719, of which $67,909 was the value of the newly issued common shares (Notes 9 and 14) and $4,364 of additional predelivery expenses. The value of the shares was determined based on the closing price of the Company's common stock on the date of delivery of each vessel, which was also the date of issuance, determined through Level 1 inputs of the fair value hierarchy. Also, as of December 31, 2022, an amount of $24,123 was presented in Advances for vessel acquisitions being part of the purchase price for the acquisition of the ninth vessel, and additional predelivery expenses, amounting to $169 (Note 15).

Vessel Disposals

On March 16, 2021, the Company through a separate wholly owned subsidiary entered into a Memorandum of Agreement to sell to an unaffiliated third party the vessel *Naias*, for a sale price of $11,250 before commissions. At the date of the agreement to sell the vessel, the vessel was measured at the lower of its carrying amount or fair value (sale price) less costs to sell, which was the vessel's carrying value at $9,010, and was classified in current assets as vessel held for sale, according to the provisions of ASC 360, as all criteria required for this classification were met. The vessel was delivered to the buyer on July 30, 2021 and the sale of the vessel resulted in gain amounting to $1,564, included in "(Gain)/loss on sale of vessels" in the consolidated statement of operations.

On June 13, 2022, the Company through a separate wholly owned subsidiary entered into a Memorandum of Agreement to sell to OceanPal, the vessel *Baltimore*, for a sale price of $22,000 before commissions (Note 3 (f)). On the date of the agreement, the vessel was classified as held for sale according to the provisions of ASC 360, as all criteria required for this classification were met, at carrying value of $16,722 and unamortized deferred costs of $41, measured at the lower of carrying value and fair value (sale price) less costs to sell. The vessel was delivered to OceanPal on September 20, 2022 and the sale resulted in gain amounting to $2,850, included in "(Gain)/loss on sale of vessels" in the consolidated statement of operations.

The amounts reflected in Vessels, net in the accompanying consolidated balance sheets are analyzed as follows:

(Expressed in thousands of U.S. Dollars – except share, per share data, unless otherwise stated)

	Vessel Cost	Accumulated Depreciation	Net Book Value
Balance, December 31, 2020	$ 872,431	$ (156,253)	$ 716,178
- Additions for improvements	1,106	-	1,106
- Additions for improvements reclassified from other non-current assets	441	-	441
- Vessel disposals	(16,120)	7,110	(9,010)
- Vessels contributed to OceanPal	(47,429)	17,127	(30,302)
- Depreciation for the year	-	(34,963)	(34,963)
Balance, December 31, 2021	$ 810,429	$ (166,979)	$ 643,450
- Additions for vessel acquisitions and improvements	358,504	-	358,504
- Additions for improvements reclassified from other non-current assets	1,370	-	1,370
- Vessel disposals	(29,175)	12,453	(16,722)
- Depreciation for the year	-	(36,986)	(36,986)
Balance, December 31, 2022	$ 1,141,128	$ (191,512)	$ 949,616

Additions for vessel improvements mainly relate to the implementation of ballast water treatment and other works necessary for the vessels to comply with new regulations and be able to navigate to additional ports. As of December 31, 2022 and 2021, an amount of $1,370 and $441, respectively, was reclassified to Vessels, net from other non-current assets and related to ballast water treatment equipment paid in a previous period but delivered on the vessels during the years ended December 31, 2022 and 2021.

5. Property and Equipment, net

In November 2021, DSS acquired 1/3 of a land owned by a then related party company, to which DSS owned also 1/3, for the purchase price of €1.1 million. The total acquisition cost, including expenses and taxes amounted to $1,358.

The Company owns the land and building of its principal corporate offices in Athens, Greece. Additionally, DSS owns, together with a related party company, another plot of land in the nearby area, acquired for office use. Other assets consist of office furniture and equipment, computer software and hardware and vehicles. The amount reflected in "Property and equipment, net" is analyzed as follows:

	Property and Equipment	Accumulated Depreciation	Net Book Value
Balance, December 31, 2020	$ 27,198	$ (5,494)	$ 21,704
- Additions in property and equipment	1,600	-	1,600
- Depreciation for the year	-	(462)	(462)
- Disposal of assets	(529)	529	-
Balance, December 31, 2021	$ 28,269	$ (5,427)	$ 22,842
- Additions in property and equipment	667	-	667
- Depreciation for the year	-	(546)	(546)
Balance, December 31, 2022	$ 28,936	$ (5,973)	$ 22,963

(Expressed in thousands of U.S. Dollars – except share, per share data, unless otherwise stated)

6. Long-term debt

The amount of long-term debt shown in the accompanying consolidated balance sheets is analyzed as follows:

	2022	2021
Senior unsecured bond	125,000	125,000
Secured long-term debt	405,120	306,843
Total long-term debt	$ 530,120	$ 431,843
Less: Deferred financing costs	(7,609)	(8,168)
Long-term debt, net of deferred financing costs	$ 522,511	$ 423,675
Less: Current long-term debt, net of deferred financing costs, current	(91,495)	(41,148)
Long-term debt, excluding current maturities	$ 431,016	$ 382,527

Senior Unsecured Bond:

On September 27, 2018, the Company issued a $100,000 senior unsecured bond maturing in September 2023 of which entities affiliated with executive officers and directors of the Company purchased $16,200 aggregate principal amount of the bond. The bond was fully repurchased and retired on September 27, 2021 upon the exercise of the Company's call option pursuant to the Bond terms discussed below. The bond bore interest at a US Dollar fixed-rate coupon of 9.50% which was payable semi-annually in arrears in March and September of each year. The bond was callable in whole or in parts in three years at a price equal to 103.8% of nominal value; in four years at a price equal to 101.9% of the nominal value and in four and a half years at a price equal to 100% of nominal value. The bond included financial and other covenants and was trading on the Oslo Stock Exchange under the ticker symbol "DIASH01". On July 7, 2020, the Company repurchased $8,000 of nominal value of the bond. On June 22, 2021, the Company refinanced $74,200 of nominal value of the bond at a price equal to 106.25% of nominal value, or $78,838, with a newly issued bond, discussed below. The Company applied the debt modification guidance for the part of the transaction refinanced by existing investors amounting to $73,400 and the debt extinguishment for the remaining $800. An amount of $5,272 consisting of the costs paid to the investors who participated in the refinancing and unamortized deferred fees were deferred over the term of the new bond and an amount of $57 was recorded as loss on debt extinguishment. On September 27, 2021, the Company exercised the call option and redeemed the balance of the bond at the price of 103.8%. In 2021 and 2020, the repurchase of the bond resulted in loss of $880 and gain of $374, respectively, which is included in "(Loss)/gain on extinguishment of debt" in the consolidated statements of operations.

On June 22, 2021, the Company issued a $125,000 senior unsecured bond maturing in June 2026, which refinanced the previous bond. The bond ranks ahead of subordinated capital and ranks the same with all other senior unsecured obligations of the Company other than obligations which are mandatorily preferred by law. Entities affiliated with executive officers and directors of the Company purchased an aggregate of $21,000 principal amount of the bond. The bond bears interest from June 22, 2021 at a US Dollar fixed-rate coupon of 8.375% and is payable semi-annually in arrears in June and December of each year. The bond is callable in whole or in parts in June 2024 at a price equal to 103.35% of nominal value; between June 2025 to December 2025 at a price equal to 101.675% of the nominal value and after December 2025 at a price equal to 100% of nominal value. The bond includes financial and other covenants and is trading at Oslo Stock Exchange under the ticker symbol "DIASH02".

Secured Term Loans:

Under the secured term loans outstanding as of December 31, 2022, 34 vessels of the Company's fleet are mortgaged with first preferred or priority ship mortgages, having an aggregate carrying value of $722,961. Additional securities required by the banks include first priority assignment of all earnings, insurances, first assignment of time charter contracts that exceed a certain period, pledge over the shares of the borrowers, manager's undertaking and subordination and requisition compensation and either a corporate guarantee by DSI (the "Guarantor") or a guarantee by the ship owning companies (where applicable), financial covenants, as well as operating account assignments. The lenders may also require additional security in the future in the event the borrowers breach certain covenants under the loan agreements. The secured term loans generally include restrictions as to changes in management and ownership of the vessels, additional indebtedness, as well as minimum requirements regarding hull cover ratio and minimum liquidity per vessel owned by the borrowers, or the Guarantor, maintained in the bank accounts of the borrowers, or the Guarantor.

As of December 31, 2022 and 2021, minimum cash deposits required to be maintained at all times under the Company's loan facilities, amounted to $21,000 and $16,500, respectively and are included in "Restricted cash, non-current" in the accompanying consolidated balance sheets. Furthermore, the secured term loans contain cross default provisions and additionally the Company is not permitted to pay any dividends following the occurrence of an event of default. For 2022 and 2021, the weighted average interest rate of the secured term loans was 3.8% and 2.45%, respectively.

As of December 31, 2022 and 2021, the Company had the following agreements with banks, either as a borrower or as a guarantor, to guarantee the loans of its subsidiaries:

Export-Import Bank of China and DnB NOR Bank ASA: On February 15, 2012, the Company drew down a first tranche of $37,450, under a secured loan agreement, which was repayable in 40 quarterly instalments of approximately $628 each and a balloon of $12,332 payable together with the last instalment on February 15, 2022. On May 18, 2012, the Company drew down, under the same agreement, a second tranche of $34,640, which was repayable in 40 quarterly instalments of approximately $581 each and a balloon of $11,410 payable together with the last instalment on May 18, 2022. The loan which bore interest at LIBOR plus a margin of 2.50% per annum was prepaid in full on May 17, 2021, and unamortized costs were written off to "(Loss)/gain on extinguishment of debt" in the 2021 consolidated statement of operations.

Commonwealth Bank of Australia, London Branch: On January 13, 2014, the Company drew down $9,500 under a secured loan agreement, which was repayable in 32 equal consecutive quarterly instalments of $156 each and a balloon of $4,500 payable on January 13, 2022. The loan which bore interest at LIBOR plus a margin of 2.25%, was prepaid in full on May 18, 2021 and unamortized costs were written off to "(Loss)/gain on extinguishment of debt" in the 2021 consolidated statement of operations.

BNP Paribas ("BNP"): On December 19, 2014, the Company drew down $53,500 under a secured loan agreement, to finance part of the acquisition cost of the *G. P. Zafirakis* and the *P. S. Palios* maturing on November 30, 2021. The agreement was refinanced on June 29, 2020, to extend the maturity to May 19, 2024. The loan is repayable in equal semi-annual instalments of approximately $1,574 and a balloon of $23,596 payable together with the last instalment. The refinanced loan bears interest at LIBOR plus a margin of 2.5%.

On July 16, 2018, the Company drew down $75,000 under a secured loan agreement with BNP. The loan is repayable in consecutive quarterly instalments of $1,562.5 and a balloon instalment of $43,750 payable together with the last instalment on July 17, 2023. The loan bears interest at LIBOR plus a margin of 2.3%.

Nordea Bank AB, London Branch ("Nordea"): On March 19, 2015, the Company drew down $93,080 under a secured loan agreement, maturing on March 19, 2021. The loan bore interest at LIBOR plus a margin of 2.1%. On May 7, 2020, the loan was refinanced to extend the maturity to March 19, 2022 and on July 29, 2021, the Company entered into a supplemental agreement with Nordea, to extend the loan maturity to March 2024 and to draw down an additional amount of $460. The balance of the refinanced loan, including the additional $460 drawn on July 30, 2021, is repayable in equal consecutive quarterly instalments of $1,862 and a balloon instalment of $26,522 payable together with the last instalment on March 19, 2024, all other terms of the loan remaining the same. In July 2022, the Company prepaid an amount of $4,786, due to the sale of *Baltimore* to OceanPal (Note 4). Unamortized finance costs relating to the part of the loan prepaid, were written off to "(Loss)/gain on extinguishment of debt" in the 2022 consolidated statement of operations. Following this prepayment, the loan is repayable in equal quarterly instalments of $1,636 and a balloon of $23,313 payable together with the last instalment on March 19, 2024.

On September 30, 2022, the Company entered into a $200 million loan agreement to finance the acquisition price of 9 ultramax vessels (Note 4). The Company drew down $197,236 under the loan, in tranches for each vessel on their delivery to the Company. On December 12, 2022, the Company prepaid $21,937 under the loan, attributed to DSI Andromeda, following the vessel's sale under a sale and leaseback agreement. (Note 7). Unamortized finance costs relating to the part of the loan prepaid, were written off to "(Loss)/gain on extinguishment of debt" in the 2022 consolidated statement of operations. Following this prepayment, the loan is repayable in 20 equal quarterly instalments of an aggregate amount of $3,719, and a balloon amounting to $100,912 payable together with the last instalment on October 11, 2027. The loan bears interest at term SOFR plus a margin of 2.25%. Loan fees amounted to $2,069 presented as contra to debt and commitment fees amounted to $191, included in Interest expense and finance costs in the accompanying 2022 consolidated statement of operations.

ABN AMRO Bank N.V., or ABN: On May 22, 2020, the Company signed a term loan facility with ABN, in the amount of $52,885 to combine two loans outstanding with ABN. Tranche A is payable in consecutive quarterly instalments of $800 each and a balloon instalment of $9,000 payable together with the last instalment on June 28, 2024. The tranche bears interest at LIBOR plus a margin of 2.25%. Tranche B is repayable in equal consecutive quarterly instalments of about $994 each and a balloon of $13,391 payable together with the last instalment on June 28, 2024, and bears interest at LIBOR plus a margin of 2.4%.

On May 20, 2021, the Company, drew down $91,000 under a secured sustainability linked loan facility with ABN AMRO Bank N.V, dated May 14, 2021, which was used to refinance existing loans. The loan was repayable in consecutive quarterly instalments of $3,390 each and a balloon of $23,200 payable together with the last instalment, on May 20, 2026. On August 22, 2022, and following the sale and leaseback agreements of the vessels *Santa Barbara* and *New Orleans*, which were mortgaged to secure the loan, the Company prepaid an amount of $30,791, which was the part of the loan attributed to the two vessels. Unamortized finance costs relating to the part of the loan prepaid, were written off to "(Loss)/gain on extinguishment of debt" in the 2022 consolidated statement of operations. Following this prepayment, the loan is repayable in consecutive quarterly instalments of $1,980 and a balloon of $13,553 payable together with the last instalment, on May 20, 2026. The loan bears interest at LIBOR plus a margin of 2.15% per annum, which may be adjusted annually by maximum 10 basis points upwards or downwards, subject to the performance under certain sustainability KPIs.

Danish Ship Finance A/S: On April 30, 2015, the Company drew down $30,000 under a loan agreement, which was repayable in 28 equal consecutive quarterly instalments of $500 each and a balloon of $16,000 payable together with the last instalment on April 30, 2022. The loan which bore interest at LIBOR plus a margin of 2.15% was prepaid in full on May 20, 2021, and unamortized costs were written off to "(Loss)/gain on extinguishment of debt" in the 2021 consolidated statement of operations.

(Expressed in thousands of U.S. Dollars – except share, per share data, unless otherwise stated)

ING Bank N.V.: On November 19, 2015, the Company drew down advance A amounting to $27,950 under a secured loan agreement, which was repayable in 28 consecutive quarterly instalments of about $466 each and a balloon instalment of about $14,907 payable together with the last instalment on November 19, 2022. Advance B amounting to $11,733 was drawn on October 6, 2015, and was repayable in 28 consecutive quarterly instalments of about $293 each and a balloon instalment of about $3,520 payable together with the last instalment on October 6, 2022. The loan which bore interest at LIBOR plus a margin of 1.65% was prepaid in full on May 20, 2021, and unamortized costs were written off to "(Loss)/gain on extinguishment of debt" in the 2021 consolidated statement of operations.

Export-Import Bank of China: On January 4, 2017, the Company drew down $57,240 under a secured loan agreement, which is repayable in equal quarterly instalments of $954, each, until its maturity on January 4, 2032 and bears interest at LIBOR plus a margin of 2.3%.

DNB Bank ASA.: On March 14, 2019, the Company drew down $19,000 under a secured loan agreement, which is repayable in consecutive quarterly instalments of $477.3 and a balloon of $9,454 payable together with the last instalment on March 14, 2024. The loan bears interest at LIBOR plus a margin of 2.4%.

As of December 31, 2022 and 2021, the Company was in compliance with all of its loan covenants.

The maturities of the Company's bond and debt facilities described above as of December 31, 2022, and throughout their term, are shown in the table below and do not include the related debt issuance costs:

Period		**Principal Repayment**
Year 1	$	93,830
Year 2		112,645
Year 3		26,615
Year 4		161,207
Year 5		119,605
Year 6 and thereafter		16,218
Total	**$**	530,120

7. Finance Liabilities

The amount of finance liabilities shown in the 2022 accompanying consolidated balance sheet is analyzed as follows:

		2022
Finance liabilities		142,370
Less: Deferred financing costs		(1,439)
Finance liabilities, net of deferred financing costs	$	140,931
Less: Current finance liabilities, net of deferred financing costs, current		(8,802)
Finance liabilities, excluding current maturities	$	132,129

(Expressed in thousands of U.S. Dollars – except share, per share data, unless otherwise stated)

On March 29, 2022, the Company sold *Florida* to an unrelated third party for $50,000 (Note 4) and leased back the vessel under a bareboat agreement, for a period of ten years, under which the Company pays hire, monthly in advance. Under the bareboat charter, the Company has the option to repurchase the vessel after the end of the third year of the charter period, or each year thereafter, until the termination of the lease, at specific prices, subject to irrevocable and written notice to the owner. If not repurchased earlier, the Company has the obligation to repurchase the vessel for $16,350, on the expiration of the lease on the tenth year. Issuance costs amounted to $513.

On August 17, 2022, the Company entered into two sale and leaseback agreements with two unaffiliated Japanese third parties for *New Orleans* and *Santa Barbara,* for an aggregate amount of $66,400. The vessels were delivered to their buyers on September 8, 2022 and September 12, 2022, respectively and the Company chartered in both vessels under bareboat charter parties for a period of eight years, each, and has purchase options beginning at the end of the third year of each vessel's bareboat charter period, or each year thereafter, until the termination of the lease, at specific prices, subject to irrevocable and written notice to the owner. If not repurchased earlier, the Company has the obligation to repurchase the vessels for $13,000, each, on the expiration of each lease on the eighth year. Issuance costs amounted to $665.

On December 6, 2022, the Company sold *DSI Andromeda* to an unrelated third party for $29,850 (Note 4) and leased back the vessel under a bareboat agreement, for a period of ten years, under which the Company pays hire, monthly in advance. Under the bareboat charter, the Company has the option to repurchase the vessel after the end of the third year of the charter period, or each year thereafter, until the termination of the lease, at specific prices, subject to irrevocable and written notice to the owner. If not repurchased earlier, the Company has the obligation to repurchase the vessel for $8,050, on the expiration of the lease on the tenth year. Issuance costs amounted to $354.

Under the bareboat charter parties, the Company is responsible for the operation and maintenance of the vessels and the owner of the vessels shall not retain any control, possession, or command of the vessel during the charter period.

The Company determined that, under ACS 842-40 Sale and Leaseback Transactions, the transactions are failed sales and consequently the assets were not derecognized from the financial statements and the proceeds from the sale of the vessels were accounted for as financial liabilities. As of December 31, 2022, the weighted average remaining lease term of the above lease agreements was 8.69 years and the average interest rate was 4.61%.

As of December 31, 2022, and throughout the term of the leases, the Company has annual finance liabilities as shown in the table below:

Period		**Principal Repayment**
Year 1	$	9,033
Year 2		9,437
Year 3		9,808
Year 4		10,224
Year 5		10,661
Year 6 and thereafter		93,207
Total	**$**	142,370

(Expressed in thousands of U.S. Dollars – except share, per share data, unless otherwise stated)

8. Commitments and Contingencies

a) Various claims, suits, and complaints, including those involving government regulations and product liability, arise in the ordinary course of the shipping business. In addition, losses may arise from disputes with charterers, agents, insurance and other claims with suppliers relating to the operations of the Company's vessels. The Company accrues for the cost of environmental and other liabilities when management becomes aware that a liability is probable and is able to reasonably estimate the probable exposure. The Company's vessels are covered for pollution in the amount of $1 billion per vessel per incident, by the P&I Association in which the Company's vessels are entered. In 2022, the Company recorded a gain of $1,789 from insurance recoveries received from its insurers for claims covered under its insurance policies, which is separately presented as insurance recoveries in the accompanying 2022 consolidated statement of operations.

b) In February 2021, DWM, as managers of the vessel *Protefs*, entered into a plea agreement with the United States pursuant to which DWM, plead guilty for alleged violations of law concerning maintenance of books and records and the handling of oil wastes of the vessel *Protefs.* On September 23, 2021, in the sentencing hearing of the *Protefs* case, the judge accepted DWM's guilty pleas and among others, imposed to DWM a fine of $2,000 which was paid by the Company. An amount of $1,000 of this fine was recorded as due from DWM (Note 3(c) and as of December 31, 2021, the receivable was decreased by a provision for credit losses (Note 2(z). In 2022 the provision was reversed as the full amount was recovered.

c) Pursuant to the sale and lease back agreements signed between the Company and its counterparties, the Company has purchase obligations to repurchase the vessels *Florida, Santa Barbara, New Orleans* and *DSI Andromeda* upon expiration of their lease contracts, as described in Note 7.

d) As of December 31, 2022, the Company's vessels, owned and chartered-in, were fixed under time charter agreements, considered operating leases. The minimum contractual gross charter revenue expected to be generated from fixed and non-cancelable time charter contracts existing as of December 31, 2022 and until their expiration was as follows:

Period		Amount
Year 1	$	163,438
Year 2		22,980
Year 3		9,454
Year 4		9,454
Year 5		725
Total	$	**206,051**

9. Capital Stock and Changes in Capital Accounts

a) Preferred stock: As of December 31, 2022, and, 2021, the Company's authorized preferred stock consists of 25,000,000 shares (all in registered form), par value $0.01 per share, of which 1,000,000 shares are designated as Series A Participating Preferred Shares, 5,000,000 shares are designated as Series B Preferred Shares, 10,675 shares are designated as Series C Preferred Shares and 400 are designated as Series D Preferred Shares. As of December 31, 2022 and 2021, the Company had zero Series A Participating Preferred Shares issued and outstanding.

b) Series B Preferred Stock: As of December 31, 2022, and, 2021, the Company had 2,600,000 Series B Preferred Shares issued and outstanding with par value $0.01 per share, at $25.00 per share and with liquidation preference at $25.00 per share. Holders of Series B Preferred Shares have no voting rights other than the ability, subject to certain exceptions, to elect one director if dividends for six quarterly dividend periods (whether or not consecutive) are in arrears and certain other limited protective voting rights. Also, holders of Series B Preferred Shares, rank prior to the holders of common shares with respect to dividends, distributions and payments upon liquidation and are subordinated to all of the existing and future indebtedness.

Dividends on the Series B Preferred Shares are cumulative from the date of original issue and are payable on the 15th day of January, April, July and October of each year at the dividend rate of 8.875% per annum, or $2.21875 per share per annum. For 2022, 2021 and 2020 dividends on Series B Preferred Shares amounted to $5,769, $5,769 and $5,769, respectively. Since February 14, 2019, the Company may redeem, in whole or in part, the Series B Preferred Shares at a redemption price of $25.00 per share plus an amount equal to all accumulated and unpaid dividends thereon to the date of redemption, whether or not declared.

c) ***Series C Preferred Stock***: As of December 31, 2022, and, 2021, the Company had 10,675 shares of Series C Preferred Stock, issued and outstanding, with par value $0.01 per share, owned by an affiliate of its Chief Executive Officer, Mrs. Semiramis Paliou. The Series C Preferred Stock votes with the common shares of the Company, and each share entitles the holder thereof to 1,000 votes on all matters submitted to a vote of the shareholders of the Company. The Series C Preferred Stock has no dividend or liquidation rights and cannot be transferred without the consent of the Company except to the holder's affiliates and immediate family members.

d) ***Series D Preferred Stock***: As of December 31, 2022, and, 2021, the Company had 400 shares of Series D Preferred Stock, issued and outstanding, with par value $0.01 per share, owned by an affiliate of its Chief Executive Officer, Mrs. Semiramis Paliou. The Series D Preferred Stock is not redeemable and has no dividend or liquidation rights. The Series D Preferred Stock vote with the common shares of the Company, and each share of the Series D Preferred Stock entitles the holder thereof to up to 100,000 votes, on all matters submitted to a vote of the shareholders of the Company, subject to a maximum number of votes eligible to be cast by such holder derived from the Series D Preferred Shares and any other voting security of the Company held by the holder to be equal to the lesser of (i) 36% of the total number of votes entitled to vote on any matter put to shareholders of the Company and (ii) the sum of the holder's aggregate voting power derived from securities other than the Series D Preferred Stock and 15% of the total number of votes entitled to be cast on matters put to shareholders of the Company. The Series D Preferred Stock is transferable only to the holder's immediate family members and to affiliated persons or entities.

e) ***Issuance and Repurchase of Common Shares:*** In February 2020, the Company repurchased, in a tender offer 3,030,303 shares of its common stock at a price of $3.30 per share and in March 2020, repurchased 1,088,034 shares of common stock under its share repurchase plan authorized in May 2014, at an average price of $1.72 per share. The aggregate cost of the shares repurchased amounted to $11,999, including expenses. In February 2021, the Company repurchased in a tender offer 6,000,000 shares at the price of $2.50 per share. In August 2021, the Company repurchased, in another tender offer, 3,333,333 shares, at a price of $4.50 per share and in December 2021, repurchased 3,529,411 shares at a price of $4.25 per share. The aggregate cost of the share repurchases was $45,369, including expenses. In 2022, the Company issued under its ATM program 877,581 shares of common stock, at an average price of $6.27 per share and received net proceeds of $5,322. During 2022, the Company repurchased under its share repurchase program 820,000 shares of common stock, at an average price of $4.56 per share, for an aggregate cost of $3,799, including expenses. In addition, during the fourth quarter, the Company issued 16,453,780 common shares to Sea Trade (Note 4), upon exercise by Sea Trade of the eight out of nine warrants mentioned in (i) below, for the acquisition of eight vessels, at an average price of $4.13.

(Expressed in thousands of U.S. Dollars – except share, per share data, unless otherwise stated)

f) ***Dividend on Common Stock:*** On March 21, 2022, the Company paid a dividend on its common stock of $0.20 per share, to its shareholders of record as of March 9, 2022. On June 17, 2022, the Company paid a dividend on its common stock of $0.25 per share, to its shareholders of record as of June 6, 2022. On August 19, 2022, the Company paid a dividend on its common stock of $0.275 per share, to its shareholders of record as of August 8, 2022. On December 15, 2022, the Company paid a dividend on its common stock of $0.175 per share, to its shareholders of record as of November 28, 2022. During 2022, the Company paid total cash dividends on common stock amounting to $79,812.

g) ***Dividend in Kind:*** On December 15, 2022, the Company distributed the Company's investment in the Series D Preferred Shares of OceanPal in the form of a stock dividend amounting to $18,189, or $0.18 per share, to its shareholders of record as of November 28, 2022 (Notes 3(f) and 4). On November 29, 2021, the Company distributed to its shareholders of record on November 3, 2021, the common stock of OceanPal, acquired in a spin-off, amounting to $40,509 (Note 3(d)).

h) ***Incentive Plan:*** On February 25, 2022, the Company's Board of Directors approved the award of 1,470,000 shares of restricted common stock to executive management and non-executive directors, pursuant to the Company's Equity Incentive Plan, as annual bonus. The fair value of the restricted shares based on the closing price on the date of the Board of Directors' approval was $6,101. The cost of these awards will be recognized in income ratably over the restricted shares vesting period which will be 3 years. As of December 31, 2022, 15,194,759 shares remained reserved for issuance according to the Company's incentive plan.

Restricted stock in 2022, 2021 and 2020 is analyzed as follows:

	Number of Shares	Weighted Average Grant Date Price
Outstanding at December 31, 2019	3,833,233	$ 3.63
Granted	2,200,000	2.72
Vested	(3,610,221)	3.52
Outstanding at December 31, 2020	2,423,012	$ 2.95
Granted	8,260,000	2.85
Vested	(1,168,363)	3.20
Outstanding at December 31, 2021	9,514,649	$ 2.83
Granted	1,470,000	4.15
Vested	(3,118,060)	2.86
Outstanding at December 31, 2022	7,866,589	$ 3.07

The fair value of the restricted shares has been determined with reference to the closing price of the Company's stock on the date such awards were approved by the Company's board of directors. The aggregate compensation cost is being recognized ratably in the consolidated statement of operations over the respective vesting periods. In 2022, 2021, and 2020, compensation cost amounted to $9,282, $7,442, and $10,511, respectively, and is included in "General and administrative expenses" presented in the accompanying consolidated statements of operations.

As of December 31, 2022 and 2021, the total unrecognized cost relating to restricted share awards was $16,873 and $20,054, respectively. As of December 31, 2022, the weighted-average period over which the total compensation cost related to non-vested awards not yet recognized is expected to be recognized is 2.54 years.

(Expressed in thousands of U.S. Dollars – except share, per share data, unless otherwise stated)

i) ***Warrants:*** On August 11, 2022, the Company issued nine warrants to Sea Trade (Note 4) that permitted the holder to purchase from the Company 18,487,393, at $0.01 per share, each exercisable on the delivery of each vessel from Sea Trade to the Company. The warrants would expire and no longer be exercisable upon the earlier of the termination date of each memorandum of agreement and the date before the delivery date of a vessel if a registration statement had not been declared effective. The holder of the warrants would not be considered a shareholder prior to the issuance of the shares. As of December 31, 2022, there was only one warrant not exercised by Sea Trade as one vessel had not been delivered to the Company (Note 15). The Company did not receive any proceeds from the exercise of the warrants by Sea Trade and the exercise price of the shares issued was included in the price of the vessels acquired.

10. Voyage expenses

The amounts in the accompanying consolidated statements of operations are analyzed as follows:

		2022	2021	2020
Commissions	$	14,412 $	10,794 $	8,310
(Gain)/loss from bunkers		(8,100)	(5,955)	3,708
Port expenses and other		630	731	1,507
Total	$	6,942 $	5,570 $	13,525

11. Interest and Finance Costs

The amounts in the accompanying consolidated statements of operations are analyzed as follows:

		2022	2021	2020
Interest expense, debt	$	21,983 $	18,067 $	20,163
Finance liabilities interest expense		2,735	-	-
Amortization of debt and finance liabilities issuance costs		2,286	1,865	1,066
Loan and other expenses		415	307	285
Interest expense and finance costs	$	27,419 $	20,239 $	21,514

12. Earnings/(loss) per Share

All common shares issued (including the restricted shares issued under the Company's incentive plans) are the Company's common stock and have equal rights to vote and participate in dividends. The calculation of basic earnings/(loss) per share does not treat the non-vested shares (not considered participating securities) as outstanding until the time/service-based vesting restriction has lapsed. Incremental shares are the number of shares assumed issued under the treasury stock method weighted for the periods the non-vested shares were outstanding. In 2022 and 2021, there were 3,257,861 and 3,735,059 incremental shares, respectively, included in the denominator of the diluted earnings per share calculation. In 2020, incremental shares were not included in the calculation of the diluted earnings per share, as the Company incurred losses and the effect of such shares would be anti-dilutive.

(Expressed in thousands of U.S. Dollars – except share, per share data, unless otherwise stated)

Profit or loss attributable to common equity holders is adjusted by the amount of dividends on Series B Preferred Stock as follows:

	2022	2021	2020
Net income/(loss)	$ 119,063	$ 57,394	$ (134,197)
Dividends on series B preferred shares	(5,769)	(5,769)	(5,769)
Net income/(loss) attributable to common stockholders	$ 113,294	$ 51,625	$ (139,966)
Weighted average number of common shares, basic	80,061,040	81,121,781	86,143,556
Incremental shares	3,257,861	3,735,059	-
Weighted average number of common shares, diluted	83,318,901	84,856,840	86,143,556
Earnings/(loss) per share, basic	$ 1.42	$ 0.64	$ (1.62)
Earnings/(loss) per share, diluted	$ 1.36	$ 0.61	$ (1.62)

13. Income Taxes

Under the laws of the countries of the companies' incorporation and / or vessels' registration, the companies are not subject to tax on international shipping income; however, they are subject to registration and tonnage taxes, which are included in vessel operating expenses in the accompanying consolidated statements of operations.

The vessel-owning companies with vessels that have called on the United States are obliged to file tax returns with the Internal Revenue Service. However, pursuant to the Internal Revenue Code of the United States, U.S. source income from the international operations of ships is generally exempt from U.S. tax. The applicable tax is 50% of 4% of U.S.-related gross transportation income unless an exemption applies. The Company and each of its subsidiaries expects it qualifies for this statutory tax exemption for the 2022, 2021 and 2020 taxable years, and the Company takes this position for United States federal income tax return reporting purposes.

14. Financial Instruments and Fair Value Disclosures

Interest rate risk and concentration of credit risk

Financial instruments, which potentially subject the Company to significant concentrations of credit risk, consist principally of cash and trade accounts receivable. The ability and willingness of each of the Company's counterparties to perform their obligations under a contract depend upon a number of factors that are beyond the Company's control and may include, among other things, general economic conditions, the state of the capital markets, the condition of the shipping industry and charter hire rates. The Company's credit risk with financial institutions is limited as it has temporary cash investments, consisting mostly of deposits, placed with various qualified financial institutions and performs periodic evaluations of the relative credit standing of those financial institutions. The Company limits its credit risk with accounts receivable by performing ongoing credit evaluations of its customers' financial condition and by receiving payments of hire in advance. The Company, generally, does not require collateral for its accounts receivable and does not have any agreements to mitigate credit risk.

(Expressed in thousands of U.S. Dollars – except share, per share data, unless otherwise stated)

In 2022, 2021 and 2020, charterers that individually accounted for 10% or more of the Company's time charter revenues were as follows:

Charterer	2022	2021	2020
Cargill International SA	19%	10%	18%
Koch Shipping PTE LTD. Singapore	15%	*	16%

*Less than 10%

The Company is exposed to interest rate fluctuations associated with its variable rate borrowings. Currently, the company does not have any derivative instruments to manage such fluctuations.

Fair value of assets and liabilities

The carrying values of financial assets reflected in the accompanying consolidated balance sheet, approximate their respective fair values due to the short-term nature of these financial instruments. The fair value of long-term bank loans with variable interest rates approximates the recorded values, generally due to their variable interest rates.

Fair value measurements disclosed

As of December 31, 2022, the Bond having a fixed interest rate and a carrying value of $125,000 (Note 6) had a fair value of $120,525 determined through the Level 1 input of the fair value hierarchy as defined in FASB guidance for Fair Value Measurements.

On September 20, 2022, the Company acquired 25,000 Series D Preferred Shares of OceanPal, par at $17,600, determined through Level 2 inputs of the fair value hierarchy by taking into consideration a third-party valuation which was based on the income approach, taking into account the present value of the future cash flows the Company expects to receive from holding the equity instrument.

On December 15, 2022, the Company distributed the Series D Preferred Shares as non-cash dividend and measured their fair value on the date of declaration at $18,189. Their fair value was determined through Level 2 inputs of the fair value hierarchy, by using the income approach, taking into account the present value of the future cash flows, the holder of shares would expect to receive from holding the equity instrument which resulted in gain of $589 (Note 3(f).

Other Fair value measurements

Description (in thousands of US Dollars)	December 31, 2021	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)
Non-recurring fair value measurements			
Investments in related parties (1)	7,575		7,575

	December 31, 2022	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)
Non-recurring fair value measurements			
Long-lived assets held for use (2)	67,909	67,909	
Total non-recurring fair value measurements	67,909	67,909	-

(1) On November 29, 2021, Series B preferred shares and Series C preferred shares were recorded at $5 and $7,570, respectively, being the fair value of the shares on the date of issuance to the Company by OceanPal (Note 3(f)).

(2) During the fourth quarter of 2022, the Company took delivery of eight vessels under its master agreement with Sea Trade, acquired for the purchase price of $263,719, of which $195,810 was paid in cash and $67,909 was paid through newly issued common stock (Note 4). The fair value of the common shares issued to Sea Trade was determined based on the closing price of the Company's shares on the date of delivery of each vessel, which was also the date of issuance of such shares.

15. Subsequent Events

a) Series B Preferred Stock Dividends: On January 17, 2023, the Company paid a quarterly dividend on its series B preferred stock, amounting to $0.5546875 per share, or $1,442, to its stockholders of record as of January 13, 2023.

b) Sale of vessels and loan prepayments: On January 23, 2023, the Company, through a wholly owned subsidiary, entered into an agreement with an unrelated third party to sell the vessel Aliki for the sale price of $15,080. The vessel was delivered to her new owners on February 8, 2023. Additionally, on February 1, 2023, the Company, through a wholly-owned subsidiary, entered into an agreement with OceanPal, a related party company, to sell the vessel Melia for the sale price of $14,000, of which $4,000 in cash and $10,000 through 13,157 of OceanPal Series D Preferred Shares. The vessel was delivered to her new owners on February 8, 2023. The sale of the vessels resulted in gain. On February 2, 2023, the Company prepaid $8,134 under one of its loan agreements with Nordea, being the part of the loan secured by *Melia* and *Aliki*, and the repayment schedule was adjusted accordingly.

c) Delivery of Ultramax vessel: On January 30, 2023, the Company took delivery of the ninth Ultramax dry bulk vessel, under the Company's agreement with Sea Trade and issued 2,033,613 common shares to Sea Trade, at $0.01 par value per share (Note 4), having a fair value of $7,809, based on the closing price of the Company's stock on the date of delivery, determined through Level 1 account hierarchy.

d) ***Acquisition of Ultramax vessel:*** On February 14, 2023, the Company signed a Memorandum of Agreement to acquire from an unaffiliated third party the m/v Nord Potomac, a 2016 built Ultramax dry bulk vessel, for a purchase price of $27,900, of which the Company paid a 10% advance of the purchase price. The Company anticipates taking delivery of the vessel by the beginning of April 2023.

e) ***Restricted share awards:*** On February 22, 2023, the Company's Board of Directors approved the award of 1,750,000. shares of restricted common stock to executive management and non-executive directors, pursuant to the Company's amended plan, as annual bonus. The fair value of the restricted shares based on the closing price on the date of the Board of Directors' approval was $7,945. The cost of these awards will be recognized ratably over the restricted shares vesting period which will be 3 years.

f) ***Loan prepayment:*** On March 14, 2023, the Company prepaid $11,841 being the outstanding balance of its loan with DNB Bank (Note 6).

g) ***Dividend on Common Stock and Dividend in Kind:*** On March 20, 2023, the Company paid a quarterly dividend on its common stock of $0.15 per share, or $15,965, to shareholders of record as of March 13, 2023 based on the Company's results of operations during the fourth quarter ended December 31, 2022. The Company will also distribute on May 16, 2023, to its shareholders of record on April 24, 2023, the 13,157 Series D Preferred Shares of OceanPal Inc. acquired as part of the non-cash consideration of the sale of *Melia* described in (b) above.